SECURITIES AND EXCHANGE COMMISSION

FORM POS AM

Post-Effective amendments for registration statement

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SILGAN CORP

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Registration No. 33-46499

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 3

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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

Delaware	3441;3085	06-1207662
(State or other jurisdiction of incorporation or organization)	(Primary Standard Classification Code Code Number)	(I.R.S. Employer Identification Number)

4 Landmark Square
Stamford, CT 06901
(203) 975-7110
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Harley Rankin, Jr.
Silgan Corporation
4 Landmark Square
Stamford, CT 06901
(203) 975-7110
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

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P.O. Box 6760
Stamford, CT 06904-6760
(203) 348-2300

SILGAN CORPORATION

Cross Reference Sheet

Pursuant to Item 501(b) of Regulation S-K

	Form S-1 Part I Item	Prospectus Location or Caption
1.	Forepart of the Registration Statement and Outside Front Cover Page of Prospectus . . .	Cross Reference Page; Outside Front Cover Page
2.	Inside Front and Outside Back Cover Pages of Prospectus . .	Inside Front Cover Page

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Item		Location in Prospectus
3.	Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges	Prospectus Summary; Certain Risk Factors; The Company; Selected Financial Data
4.	Use of Proceeds	Not Applicable
5.	Determination of Offering Price	Not Applicable
6.	Dilution	Not Applicable
7.	Selling Security Holders . . .	Not Applicable
8.	Plan of Distribution	Market-Making Activities of Morgan Stanley
9.	Description of Securities to be Registered	Outside Front Cover Page; Prospectus Summary; Description of the 11-3/4% Notes
10.	Interests of Named Experts and Counsel	Certain Transactions; Legal Matters; Experts
11.	Information With Respect to the Registrant	Outside Front Cover Page; Prospectus Summary; Certain Risk Factors; The Company; Capitalization; Selected Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations; Business; Management; Securities Ownership of Certain Beneficial Owners and Management; Certain Transactions; Description of Silgan Capital Stock; Description of Holdings Common Stock; Description of the 11-3/4% Notes; Description of Certain Indebtedness; Financial Statements
12.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities . .	Not Applicable

PROSPECTUS

$135,000,000
Silgan Corporation

11-3/4% SENIOR SUBORDINATED NOTES DUE 2002

Interest payable June 15 and December 15

The 11-3/4% Senior Subordinated Notes due 2002 (the "11-3/4% Notes") will be redeemable at the option of Silgan Corporation (the "Company" or "Silgan"), in whole or in part, at any time on or after June 15, 1997, initially at 105.875% of their principal amount plus accrued interest, declining to 100% of their principal amount plus accrued interest on or after June 15, 1999.

The 11-3/4% Notes were originally sold by the Company to the public in 1992 as part of a plan of the Company and Silgan Holdings Inc. ("Holdings"), the Company's parent holding company, to refinance a substantial portion of their indebtedness (the "Refinancing"). Because the Company is a holding company that conducts all of its business through its subsidiaries, all existing and future liabilities of the Company's subsidiaries will be effectively senior to the 11-3/4% Notes. As of March 31, 1994, the Company and its subsidiaries had approximately $336.5 million of indebtedness and other liabilities effectively senior to the 11-3/4% Notes, including approximately $195.8 million of Senior Indebtedness (as defined in "Description of the 11-3/4% Notes--Subordination"). The Company has no indebtedness outstanding that is subordinated to the 11-3/4% Notes. The

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indenture relating to the 11-3/4% Notes (the "Indenture") permits, subject to certain limitations contained therein, the incurrence by the Company and its subsidiaries of a substantial amount of additional indebtedness, including Senior Indebtedness, and the payment by the Company of dividends to Holdings. See "Certain Risk Factors--Secured Indebtedness," "--Holding Company Structure and Subordination" and "--Ability of the Company to Incur Additional Indebtedness" and "Description of the 11-3/4% Notes." The 11-3/4% Notes are listed on the Pacific Stock Exchange. Although Morgan Stanley & Co. Incorporated ("Morgan Stanley") currently makes a market in the 11-3/4% Notes, it is not obligated to do so and may discontinue or suspend its market-making activities at any time. In addition, the liquidity of and trading market for 11-3/4% Notes may be adversely affected by declines and volatility in the market for high yield securities generally as well as by any changes in the Company's financial performance and prospects. See "Certain Risk Factors--Trading Market for the 11-3/4% Notes."

SEE "CERTAIN RISK FACTORS" FOR INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus is to be used by Morgan Stanley & Co. Incorporated in connection with offers and sales in market-making transactions at negotiated prices relating to prevailing market prices at the time of sale. Morgan Stanley & Co. Incorporated may act as principal or agent in such transactions.

August 2, 1994

No person is authorized in connection with any offering made hereby to give any information or to make any representation other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or Morgan Stanley. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall imply under any circumstances that the information contained herein is correct as of any date subsequent to the date hereof.

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ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-1 (which term shall encompass any amendment thereto) relating to the 11-3/4% Notes under the Securities Act of 1933, as amended (the "Securities Act"). For purposes hereof, the term "Registration Statement" means the original Registration Statement and any and all subsequent amendments thereto. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto to which reference is made hereby. Each reference made in this Prospectus to a document filed as an exhibit to the Registration Statement is qualified in its entirety by reference to such exhibit for a complete statement of its provisions. Any interested party may inspect the Registration Statement, without charge, at the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, DC 20549, and may obtain copies of all or any portion of the Registration Statement from the Commission upon payment of the prescribed fee. In addition, copies of any and all documents incorporated by reference in this Prospectus (not including exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents) may be obtained, without charge, from the Company by requesting such copies by mail or telephone from Harold J. Rodriguez, Jr., Silgan Corporation, 4 Landmark Square, Stamford, CT 06901, telephone number (203) 975-7110.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Commission. The Registration Statement and the exhibits and schedules thereto, as well as all such reports and other information filed by the Company with the Commission, can be inspected and copied at prescribed rates at the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, DC 20549, and at the following Regional Offices of the Commission: New York Regional Office, 75 Park Place, New York, New York 10007 and Chicago Regional Office, Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Such reports and other information may also be inspected at the offices of the Pacific Stock Exchange, 301 Pine Street, Suite 1104, San Francisco, California 94104.

The Indenture requires the Company, and the Company intends, to distribute to the holders of the 11-3/4% Notes annual reports containing consolidated financial statements and the related report of independent auditors and quarterly reports containing unaudited consolidated financial statements for the first three quarters of each fiscal year for so long as any 11-3/4% Notes are outstanding.

PROSPECTUS SUMMARY

This Prospectus Summary is qualified in its entirety by the more detailed information and financial statements and notes thereto that appear elsewhere in this Prospectus. Prospective investors should carefully consider the factors set forth under the caption "Certain Risk Factors."

THE COMPANY

The Company is a major manufacturer and seller of a broad range of steel and aluminum containers for the human food and pet food markets and plastic containers for the personal care, food, pharmaceutical and household markets in the United States. In 1993, the Company had net sales of $645 million.

On December 21, 1993, the Company's wholly owned subsidiary, Silgan Containers Corporation ("Containers"), acquired from Del Monte Corporation ("Del Monte") substantially all of the fixed assets and certain working

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capital of Del Monte's container manufacturing business in the United States ("DM Can") for approximately $73 million. See "Business--Company History" below. In connection therewith, Containers and Del Monte entered into a ten-year supply agreement (the "DM Supply Agreement") pursuant to which Containers supplies substantially all of the metal container requirements of Del Monte. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 the Company would have had net sales of $818 million. See "Business-- -Sales and Marketing" below.

Management believes that the Company is the largest food can producer in the United States (based on pro forma unit sales after giving effect to the acquisition of DM Can) and one of the largest producers in the United States of high density polyethylene ("HDPE") containers for the personal care market and a major producer of custom polyethylene terephthalate ("PET") products for the personal care and food markets. The Company has experienced significant growth since its inception in 1987 as a result of its acquisitions and related increased market position.

Management estimates that Containers is currently the nation's largest manufacturer of metal food containers and that in 1993 Containers sold approximately 27% of all metal food containers sold in the United States by non-captive manufacturers (manufacturers of containers not owned by a user of containers) and approximately 16% of all metal food containers sold in the United States, in each case based on unit sales. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 Containers would have sold approximately 34% of all metal food containers sold in the United States by non-captive manufacturers and approximately 22% of all metal food containers sold in the United States. Although the food can industry in the United States is relatively stable and mature in terms of unit sales growth, Containers, on a pro forma basis giving effect to the acquisition of DM Can, has realized compound annual unit sales growth in excess of 12% since 1987. Types of containers manufactured include those for vegetables, fruit, pet food, tomato based products, evaporated milk and infant formula. Containers has agreements (the "Nestle Supply Agreements") with Nestle Food Company ("Nestle"), formerly known as The Carnation Company ("Carnation"), pursuant to which Containers supplies substantially all of the can requirements of the former Carnation operations of Nestle. In addition to the Nestle Supply Agreements and the DM Supply Agreement, Containers has other long-term supply arrangements with other customers. The Company estimates that in excess of 80% of Containers' sales in 1994 will be pursuant to long-term supply arrangements. See "Business--Sales and Marketing" below.

Management believes that the Company's wholly owned subsidiary, Silgan Plastics Corporation ("Plastics"), is one of the leading manufacturers of plastic containers sold in the United States for the personal care, household and pharmaceutical markets served by the Company. Plastic containers manufactured by Plastics include personal care containers for shampoos, conditioners, hand creams, lotions and cosmetics, household containers for light detergent liquids, scouring cleaners and specialty cleaning agents and pharmaceutical containers for tablets, laxatives and eye cleaning solutions. Plastics is also one of the leading manufacturers of PET containers sold in the United States for applications other than soft drinks. Plastics manufactures custom PET medicinal and health care product containers (such as mouthwash bottles), custom narrow-neck food product containers (such as salad dressing bottles), custom wide-mouth food product containers (such as mayonnaise and peanut butter containers) and custom non-soft drink beverage product containers (such as juice, water and liquor bottles). See "Business--Products."

The Company's strategy is to continue to improve its market position and profitability through focus on product quality, customer service, cost efficiencies, strategic acquisitions and market share growth through customers experiencing market share growth. At Containers, management has focused on achieving operating cost advantages over its competitors, primarily through low labor costs, low overhead, technologically advanced manufacturing processes and by exploiting the favorable geographic locations of its 22 can plants. Since its acquisition in 1987 of the metal container manufacturing division of Nestle ("Nestle Can"), Containers has invested more than $82 million in its existing manufacturing facilities and has spent approximately $66 million for the purchase of additional can manufacturing assets. As a result of these efforts and management's focus on quality and service, Containers has increased its overall share of the food can market by approximately 100% in terms of unit sales, from a share of approximately 11% in 1987 to a share of approximately 22% in 1993, on a pro forma basis giving effect to the acquisition of DM Can.

Plastics has increased its market position primarily by strategic

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acquisitions. From a sales base of $89 million in 1987, Plastics' sales increased to $186 million in 1993, or 13% on a compound annual basis. While many of Plastics' larger competitors employ technology oriented to large bottles and long production runs, Plastics has focused on mid-sized, extrusion blow-molded plastic containers requiring special decoration and shorter production runs. Plastics emphasizes value-added fabrication of the container, creative design and sophisticated decoration processes. Plastics is also aggressively pursuing new markets for plastic containers, including the post-consumer recycled ("PCR") resin segment of the market. Based upon published information and management's experience in the industry, management believes that PET custom containers are replacing glass containers for products such as mouthwash, salad dressing, peanut butter and liquor. Management also believes that Plastics is well positioned because of its technologically advanced equipment to respond to opportunities for future growth in the rigid plastic container market. Furthermore, to the extent that mandatory recycling laws, customer preferences or manufacturing costs result in increased demand for HDPE containers that are manufactured using PCR resins, the Company believes that its proprietary equipment is particularly well-suited for the production of such containers because of the relatively low capital costs required to convert its equipment from the use of virgin resins.

THE 11-3/4% NOTES

Original Issue . . .	$135,000,000 principal amount of 11-3/4% Senior Subordinated Notes due 2002, originally issued on June 29, 1992.
Maturity	June 15, 2002.
Interest Payment Dates	June 15 and December 15, commencing December 15, 1992.
Optional Redemption .	The 11-3/4% Notes may be redeemed at the option of the Company, in whole or in part, at any time on or after June 15, 1997, initially at 105.875% of their principal amount plus accrued interest, declining to 100% of such principal amount plus accrued interest on or after June 15, 1999.
Change of Control . .	In the event of a Change of Control (as defined under "Description of the 11-3/4% Notes--Certain Definitions"), each holder of 11-3/4% Notes may require the Company to repurchase such 11-3/4% Notes at 101% of the principal amount thereof plus accrued interest.
Ranking	The 11-3/4% Notes are subordinated in right of payment to all existing and future Senior Indebtedness of the Company. In addition, because the Company is a holding company that conducts all of its business through its subsidiaries, all existing and future liabilities of its subsidiaries are effectively senior to the 11-3/4% Notes. As of March 31, 1994, the Company and its subsidiaries had approximately $336.5 million of indebtedness and other liabilities effectively senior to the 11-3/4% Notes, of which approximately $195.8 million constituted Senior Indebtedness. See "Certain Risk Factors--Holding Company Structure and Subordination" and "Description of the 11-3/4% Notes--Subordination."
Covenants	The Indenture contains certain covenants that, among other things, direct the application of proceeds from certain asset sales and limit the ability of the Company and its subsidiaries to incur indebtedness, make certain payments with respect to their capital stock, make prepayments of certain indebtedness, make loans or investments in entities other than Restricted Subsidiaries (as defined under "Description of the 11-3/4% Notes--Certain Definitions"), enter into transactions with affiliates, engage in mergers or consolidations and, with respect to the Company's Restricted Subsidiaries, issue stock. See "Description of the 11-3/4% Notes--Covenants."

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Listing . . . . The 11-3/4% Notes are listed on the Pacific Stock Exchange.

CERTAIN RISK FACTORS

For a discussion of certain factors that should be considered in evaluating an investment in the 11-3/4% Notes, see "Certain Risk Factors."

SUMMARY FINANCIAL DATA

The following summary historical consolidated financial data of the Company were derived from, and should be read in conjunction with, the historical financial statements of the Company that appear elsewhere in this Prospectus.

	Three Months Ended March 31,	
	1994	1993
	(Dollars in thousands) (Unaudited)	
Operating Data:		
Net sales	$186,243	$148,727
Cost of goods sold	163,520	131,822
Gross profit	22,723	16,905
Selling, general and administrative expenses	8,442	8,059
Income from operations	14,281	8,846
Interest expense and other related financing costs	8,369	6,733
Other expense (income)	156	(93)
Income before income taxes	5,756	2,206
Income tax provision	2,375	1,175
Income before cumulative effects of changes in accounting principles	3,381	1,031
Cumulative effect of changes in accounting principles, net of income taxes	--	(9,951)
Net income (loss)	$ 3,381	$ (8,920)
Ratio of earnings to fixed charges <fa>	1.63	1.30
Balance Sheet Data (at end of period):		
Fixed assets	$285,738	$221,904
Total assets	527,917	395,320
Total long-term debt	305,000	206,681
Common stockholder's equity	56,459	28,255
Other Data:		
EBDITA <fb>	$ 24,088	$ 17,076
Capital expenditures	4,896	5,463
Depreciation and amortization	9,836	8,037

	Year Ended December 31,				
	1993<fc>	1992	1991<fd>	1990<fe>	1989<fe>

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	(Dollars in thousands)				
Operating data:					
Net sales	$645,468	$630,039	$678,211	$657,537	$610,682
Cost of goods sold . .	571,174	554,972	605,185	582,991	537,485
Gross profit	74,294	75,067	73,026	74,546	73,197
Selling, general and administrative expenses	31,786	32,249	33,619	36,366	34,687
Income from operations	42,508	42,818	39,407	38,180	38,510
Interest expense and other related financing costs . . .	27,928	26,916	28,981	34,233	36,714
Other expense (income)	35	25	(396)	(574)	(810)
Income before income taxes	14,545	15,877	10,822	4,521	2,606
Income tax provision <ff>	6,300	2,200	1,500	1,579	995
Income before extraordinary charges and cumulative effect of changes in accounting principles	8,245	13,677	9,322	2,942	1,611
Extraordinary charges relating to early extinguishment of debt	(841)	(9,075)	--	--	--
Cumulative effect of changes in accounting principles, net of taxes <fg>	(9,951)	--	--	--	--
Net income (loss) . . .	(2,547)	4,602	9,322	2,942	1,611
Preferred stock dividend requirements	--	2,745	3,889	3,356	2,897
Net income (loss) applicable to common stockholder	$ (2,547)	$ 1,857	$ 5,433	$ (414)	$(1,286)
Ratio of earnings to fixed charges <fa> . .	1.48	1.54	1.34	1.12	1.07
Balance Sheet Data (at end of period):					
Fixed assets	$290,395	$223,879	$230,501	$244,672	$245,039
Total assets	492,064	382,154	382,330	434,439	431,489
Total long-term debt .	305,000	206,681	140,701	188,598	213,512
Redeemable preferred stock	--	--	27,878	24,061	20,766
Common stockholder's equity	52,803	32,775	46,642	41,209	38,823
Other Data:					
EBDITA <fa>	$ 76,769	$ 74,547	$ 72,651	$ 70,223	$ 67,638
Capital expenditures .	42,480	23,447	21,834	22,908	20,201
Depreciation and amortization	33,818	31,754	32,848	29,496	23,483
Number of employees (at end of period) <fh> .	3,330	3,340	3,560	4,330	4,210

(footnotes follow)

Notes to Summary Financial Data

[FN]

<fa> For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges, excluding capitalized interest, and fixed charges consist of interest, whether expensed or capitalized, amortization of debt expense and discount or premium relating to any indebtedness, whether expensed or capitalized, and such portion of rental expense that is representative of the interest factor.

<fb> "EBDITA" means consolidated net income before extraordinary charges,

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cumulative effect of changes in accounting principles and preferred stock dividends plus, to the extent reflected in the income statement for the period for which consolidated net income is to be determined, without duplication, (i) consolidated interest expense, (ii) income tax expense, (iii) depreciation expense, (iv) amortization expense, (v) expenses relating to postretirement health care costs which amounted to $0.127 million and $0.100 million for the three months ended March 31, 1994 and 1993, respectively, and $0.478 million for the year ended December 31, 1993, and (vi) charges relating to the vesting of benefits under stock appreciation rights ("SARs") in connection with the 1989 Mergers (as defined in "Business--Company History") of $1.973 million and $4.835 million in 1990 and 1989, respectively.

<fc> On December 21, 1993, the Company acquired from Del Monte substantially all of the fixed assets and certain working capital of its container manufacturing business. The acquisition was accounted for as a purchase transaction and the results of operations have been included with the Company's historical results from the acquisition date. See "Business--Company History." For a discussion of the adjustments relating to such acquisition, see the Pro Forma Unaudited Combined Statement of Operations for the year ended December 31, 1993 and the notes thereto appearing on pages F-45 to F-47 of this Prospectus.

<fd> On November 15, 1991, the Company sold its nonstrategic PET carbonated beverage bottle business (the "PET Beverage Sale"). For 1991, sales from the PET carbonated beverage business were $33.4 million. See "Business--Company History."

<fe> On July 13, 1990, Holdings and the Company entered into a business combination (the "SPHI Business Combination") with Silgan P.E.T. Holdings Inc. ("SPHI") whereby SPHI became a majority owned subsidiary of the Company. The SPHI Business Combination was accounted for in a manner similar to a pooling of interests and accordingly the Company's consolidated financial statements include SPHI for periods subsequent to July 24, 1989. SPHI was formed in 1989 to acquire, through its wholly owned subsidiary Silgan P.E.T. Corp. ("Silgan PET"), the business and related assets of Amoco Container Company ("Amoco Container"). Such acquisition occurred on July 24, 1989 and was accounted for as a purchase transaction. See "Business--Company History."

<ff> Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the Company to provide for taxes as if it were a separate taxpayer. For years prior to 1993, the Company determined its tax provision on a separate company basis with the exception of certain matters covered under a tax allocation agreement with Holdings under which the Company obtained a federal tax benefit for Holdings' tax losses. The effect of the adoption of SFAS No. 109 was to increase the 1993 tax provision by $4.4 million.

<fg> During 1993, the Company adopted SFAS No. 106, "Employers Accounting for Postretirement Benefits Other than Pensions," SFAS No. 109, "Accounting for Income Taxes" and SFAS No. 112, "Employers Accounting for Postemployment Benefits." The Company has elected not to restate prior years' financial statements for any of these pronouncements.

<fh> The number of employees at December 31, 1993 excludes 650 employees who joined the Company on December 21, 1993 as a result of the acquisition by Containers of DM Can.

CERTAIN RISK FACTORS

In addition to the other information contained in this Prospectus, the following factors should be considered carefully in evaluating an investment in the 11-3/4% Notes.

High Leverage

The Company is highly leveraged primarily as a result of the financing of the acquisitions of its metal and plastic container businesses. The Company is a wholly owned subsidiary of Holdings, a holding company with no

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significant assets or operations other than its investment in Silgan. Holdings is highly leveraged as a result of the financing of its acquisition of all of the outstanding stock of Silgan in June 1989. See "Business--Company History."

As of March 31, 1994, the Company's total indebtedness was approximately $330.8 million, its total assets were $527.9 million and its common stockholder's equity was $56.5 million. See "Capitalization."

Although the Company is prohibited under the terms of the credit agreement, dated as of December 21, 1993, among the Company and certain of its subsidiaries, the lenders named therein (the "Banks"), Bank of America National Trust and Savings Association ("Bank of America"), as Co-Agent, and Bankers Trust Company ("Bankers Trust"), as Agent (the "Credit Agreement"), from merging with Holdings (and is also subject to restrictions under the Indenture and its Senior Secured Floating Rate Notes due 1997 (the "Secured Notes") with respect to such a merger) and the Company has no present intention of merging or entering into a similar transaction with Holdings, the Company may in the future seek any consents necessary to allow the Company to merge with Holdings. In the event of such a merger, Holdings' 13-1/4% Senior Discount Debentures due 2002 (the "Holdings Discount Debentures") would become obligations of the Company (subordinated in right of payment to the 11-3/4% Notes) and increase the total indebtedness of the Company and reduce the Company's net worth. The Company believes that if such a merger were to take place at this time, the Company would be solvent, would continue to have sufficient capital to carry on its business and would continue to be able to meet its obligations as they mature.

Restrictive Covenants under Financing Agreements

In connection with the incurrence of its indebtedness, the Company has entered into instruments and agreements governing such indebtedness (the "Financing Agreements"), which Financing Agreements contain numerous covenants, including financial and operating covenants, certain of which are quite restrictive. In particular, certain financial covenants become more restrictive over time in anticipation of scheduled debt amortization and improved operating results. Such covenants affect, and in many respects significantly limit or prohibit, among other things, the ability of the Company to incur additional indebtedness, create liens, sell assets, engage in mergers and acquisitions, make certain capital expenditures and pay dividends. For a description of such covenants, see "Description of Certain Indebtedness--Description of the Credit Agreement" and "--Description of the Secured Notes" and "Description of the 11-3/4% Notes."

The ability of the Company and its subsidiaries to satisfy such covenants and its other obligations (including scheduled reductions of their indebtedness under the Credit Agreement and the Company's obligations under the Secured Notes and the 11-3/4% Notes) depends upon, among other things, the future performance of the Company and its subsidiaries, which will be subject to prevailing economic conditions and to financial, business and other factors (including the state of the economy and the financial markets, demand for the products of the Company and its subsidiaries, costs of raw materials, legislative and regulatory changes and other factors beyond the control of the Company and its subsidiaries) affecting the business and operations of the Company and its subsidiaries.

The factors described above could adversely affect the Company's ability to meet its financial obligations, including its obligations to holders of the 11-3/4% Notes. These factors could also limit the ability of the Company to take advantage of business and technological opportunities and to effect financings and could otherwise restrict corporate activities.

Management believes that the Company will be able to comply with the financial covenants and other restrictions in the Financing Agreements and that it will have sufficient cash flow available from operations to meet its obligations; however, there can be no assurance of such compliance or of the availability of sufficient cash flow. If the Company anticipates that it will be unable to comply with covenants in any Financing Agreement or that its cash flow will be insufficient to meet its debt service, dividend and other operating needs, the Company might be required to seek amendments or waivers to its Financing Agreements, refinance its debts or dispose of assets. There can be no assurance that any such action could be effected on satisfactory terms or would be permitted under the terms of the Financing Agreements. In the event of a default under the terms of any of the Financing Agreements, the obligees thereunder would be permitted to accelerate the maturity of such obligations and cause defaults under other obligations of the Company. Such defaults could be expected to delay or preclude payment of principal of and/or interest on the 11-3/4% Notes.

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Secured Indebtedness

At March 31, 1994, the Company and its subsidiaries had outstanding approximately $195.8 million of indebtedness secured by assets of the Company and its subsidiaries, including indebtedness under the Credit Agreement and the Secured Notes. The Indenture permits the Company and its subsidiaries to incur certain additional secured indebtedness. See "Description of the 11-3/4% Notes." Holders of secured indebtedness of the Company, including the indebtedness under the Credit Agreement and the Secured Notes, have claims with respect to the assets of the Company and its subsidiaries constituting collateral that are prior to the claims of holders of the 11-3/4% Notes. In the event of a default on the 11-3/4% Notes or a bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up of the Company, or upon the acceleration of any Senior Indebtedness, such assets would be available to satisfy obligations with respect to the indebtedness secured thereby before any payment therefrom could be made on the 11-3/4% Notes. See "Description of Certain Indebtedness."

The indebtedness under the Credit Agreement and the Secured Notes is secured by a pledge of assets of the Company and by pledges of the shares of stock of the Company's subsidiaries. The indebtedness under the Credit Agreement is also guaranteed by Holdings which guarantee is secured by a pledge of the shares of stock of the Company. In addition, the Company's indebtedness under the Credit Agreement and the Secured Notes is guaranteed by substantially all the Company's subsidiaries and the obligations of each such subsidiary are secured by substantially all the assets of each such subsidiary. The 11-3/4% Notes are effectively subordinated to such pledges and guarantees.

Holding Company Structure and Subordination

The Company is a holding company with no significant assets other than its investments in and advances to its subsidiaries. The operations of the Company are conducted principally through each of its wholly owned operating subsidiaries, Containers and Plastics. Therefore, the Company's ability to make interest and principal payments is largely dependent upon the future performance and the cash flow of such operating subsidiaries, which will be subject to prevailing economic conditions and to financial, business and other factors (including the state of the economy and the financial markets, demand for the products of the Company and its subsidiaries, cost of raw materials, legislative and regulatory changes and other factors beyond the control of such operating subsidiaries) affecting the business and operations of such operating subsidiaries. Because the Company's subsidiaries do not guarantee the payment of principal of and interest on the 11-3/4% Notes, claims of holders of the 11-3/4% Notes effectively will be subordinated to the claims of creditors of such operating subsidiaries, including trade creditors, except to the extent that the Company may be a creditor with recognized claims against such operating subsidiaries. At March 31, 1994, the Company and its subsidiaries had approximately $336.5 million of indebtedness and other liabilities effectively senior to the 11-3/4% Notes.

The payment of principal on the 11-3/4% Notes is expressly subordinate to all existing and future Senior Indebtedness of the Company, including borrowings under the Credit Agreement and the obligations under the Secured Notes. Because of such subordination, in the event of the Company's bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, or upon the acceleration of any Senior Indebtedness, the Banks under the Credit Agreement and the holders of the Secured Notes and any other Senior Indebtedness must be paid in full before the holders of the 11-3/4% Notes may be paid. Payments on the 11-3/4% Notes might not be permitted if a default under any Senior Indebtedness exists or if such a default would result from any such payment. In addition, although the Credit Agreement, the Indenture, the Secured Notes and the Holdings Discount Debentures impose certain limitations on the ability of the Company and its subsidiaries to incur additional indebtedness, the Company and its subsidiaries are not prohibited under the Indenture from incurring additional indebtedness, including additional Senior Indebtedness and other indebtedness that is effectively senior to or pari passu with the 11-3/4% Notes. At March 31, 1994, the Company had outstanding approximately $195.8 million of Senior Indebtedness.

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Ability of the Company to Provide Financial Support to Holdings

Since Holdings' only asset is its investment in Silgan, its ability to pay interest on the Holdings Discount Debentures on and after December 15, 1996 (the date on which interest is first payable on the Holdings Discount Debentures) may depend upon its receipt of funds paid by dividend or otherwise loaned, advanced or transferred by Silgan to Holdings. While Silgan has no legal obligation to make such funds available, it is expected that Silgan will do so if it is permitted under the agreements to which it shall then be a party and if it then has sufficient funds available for such purpose. If sufficient funds to pay such interest are not generated by the operations of Silgan's subsidiaries, Silgan or Holdings may seek to borrow or otherwise finance the amount of such payments or refinance the Holdings Discount Debentures.

Neither the Indenture nor the Secured Notes limits the ability of Silgan to pay cash dividends to Holdings in order to enable Holdings to pay interest on the Holdings Discount Debentures. The Credit Agreement presently prohibits Silgan from paying dividends or otherwise transferring funds to Holdings in order to service Holdings' indebtedness; however, the Credit Agreement matures on September 15, 1996, prior to the date on which interest or principal is payable on the Holdings Discount Debentures. Silgan expects to enter into a new credit facility to replace the Credit Agreement on or before September 15, 1996 on terms which would not limit the ability of Silgan to transfer funds to Holdings in order to enable Holdings to pay interest on the Holdings Discount Debentures. However, there can be no assurance that Silgan will be able to enter into a new credit facility on such terms. In such event, Silgan and Holdings would consider pursuing alternative arrangements, including possible equity and/or debt financings, to enable Holdings to meet its obligations. There can be no assurance that any such alternative, if pursued, would be accomplished or would enable Holdings to make timely payments of its obligations under the Holdings Discount Debentures. The funding requirements of Holdings to service its indebtedness (beginning in December 1996) will be met by Silgan through cash generated by operations or borrowings or by Holdings through refinancings of its existing indebtedness or additional debt or equity financings. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Capital Resources and Liquidity," and "Description of Certain Indebtedness--Description of the Secured Notes" and "Description of the 11-3/4% Notes."

In the event that Holdings fails to make any payment on the Holdings Discount Debentures, the holders thereof would be permitted to accelerate payment of all of the indebtedness evidenced thereby and seek any remedy available to them under the indenture relating to the Holdings Discount Debentures and applicable law. Any such action could result in the bankruptcy of Holdings, cross defaults under the Company's indebtedness or other agreements existing at such time, financial and operating difficulties for the Company and, possibly, the bankruptcy of the Company. As of the date hereof, a default by Holdings in the payment of any of its indebtedness constitutes a default under the Holdings Guaranty (as defined under "Description of Certain Indebtedness--Description of the Credit Agreement") and such a default under the Holdings Guaranty would constitute a default under the Credit Agreement. However, the Credit Agreement matures on September 15, 1996 and Holdings has no payment obligations of any kind on its indebtedness until December 1996. Nevertheless, Silgan expects to replace its working capital facility under the Credit Agreement prior to or on September 15, 1996 and any new working capital facility may require a guaranty by Holdings of Silgan's obligations under such new working capital facility. The lender or lenders under such new facility may require a guaranty by Holdings which provides that a payment default by Holdings on any of its indebtedness would constitute a default under such guaranty and a provision that a default under such guaranty by Holdings would constitute a default under such new facility.

Ability of the Company to Incur Additional Indebtedness

Although the Credit Agreement (which matures on September 15, 1996) limits the incurrence by Silgan and its subsidiaries of additional indebtedness, the Indenture and the Secured Notes permit, subject to certain limitations, the incurrence by Silgan and its subsidiaries of a substantial amount of additional indebtedness, including additional Senior Indebtedness, indebtedness secured by liens on Silgan's and its subsidiaries' assets and other indebtedness that is pari passu with the 11-3/4% Notes. The Indenture permits the Company and its subsidiaries to incur any indebtedness, including Senior Indebtedness and secured indebtedness, if after giving effect to the incurrence of such indebtedness the Company's Interest Coverage Ratio (as defined under "Description of the 11-3/4% Notes--Certain Definitions") is at least 2.1 to 1. For the twelve month period ended December 31, 1993, the

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Company's Interest Coverage Ratio was 3.0 to 1. The Indenture also permits certain specified additional indebtedness to be incurred by the Company and its subsidiaries. Neither the Indenture nor any of the other Financing Agreements other than the Credit Agreement prohibit the assumption by the Company of Holdings' indebtedness, including the Holdings Discount Debentures, upon a merger of the Company and Holdings if the Company's Interest Coverage Ratio after giving effect to such a merger is 1.75 to 1. See "Description of the 11-3/4% Notes" and "Description of Certain Indebtedness."

Risk of Fraudulent Transfer Liability; Certain State Law Considerations

The incurrence by the Company and its subsidiaries of indebtedness, including the 11-3/4% Notes, may be limited by state and federal fraudulent transfer laws. If a court in a lawsuit by an unpaid creditor or representative of creditors of the Company, such as a trustee in bankruptcy or the Company as debtor-in-possession, were to find that (i) there was actual intent to hinder, delay or defraud creditors or (ii) the Company received less than reasonably equivalent value for the indebtedness and that, at the time of or after and giving effect to such incurrence, the Company (a) was insolvent, (b) was rendered insolvent by reason of such incurrence, (c) was engaged in a business or transaction for which the assets remaining constituted unreasonably small capital or (d) intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured, such court could void such indebtedness and order that the payments of interest and principal on such indebtedness be returned to the Company or to a fund for the benefit of its creditors.

The measure of insolvency for purposes of the foregoing will vary depending upon the law of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if the sum of its debts is greater than all of its property at a fair valuation, or if the present fair saleable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts (including contingent liabilities) as they become absolute and matured. The Company believes that the obligations under the 11-3/4% Notes were incurred for proper purposes and in good faith and, based on the Company's prospects and other financial information, the Company believes that at the time of the incurrence of such obligations, the Company was solvent, would continue to have sufficient capital to carry on its business and would continue to be able to pay its debts as they matured. Furthermore, the Company believes that the proceeds of the 11-3/4% Notes constitute reasonably equivalent value or fair consideration therefor. There can be no assurance, however, that a court would not determine that the Company was insolvent at the time and after giving effect to the incurrence of the obligations under the 11-3/4% Notes. Nor can there be any assurance that, regardless of whether the Company was solvent, the incurrence of the obligations under the 11-3/4% Notes would not constitute a fraudulent transfer on another of the criteria listed above.

Supply Agreements with Principal Customers

The Nestle Supply Agreements and the DM Supply Agreement provide Containers with a potential market for a substantial portion of its can output during the terms of these agreements. Sales to Nestle represented approximately 34% of the Company's consolidated sales during 1993. On a pro forma basis, giving effect to the acquisition of DM Can, approximately 27% of the Company's 1993 sales would have been to Nestle and 21% of the Company's 1993 sales would have been to Del Monte. See "Business--Sales and Marketing."

Pursuant to six of the original Nestle Supply Agreements, if Nestle receives a competitive bid for any product supplied, Containers has the right to match such bid with respect to the type and volume of cans over the period of the competitive bid. Under the other three Nextle Supply Agreements which were recently extended, Nestle's right to receive competitive bids is narrowly limited to certain certain circumstances, and Containers has the right to match any such bid. In either case, in the event that Containers chooses not to match any such competitive bid, Nestle may purchase such cans from the competitive bidder at the competitive bid price for the term of the bid. Since 1990, Nestle has requested that Containers match certain bids received from other potential suppliers. Containers has agreed to match such bids (which has resulted in minor margin impact) and continues to supply substantially all of the can requirements of the former Carnation operations of Nestle. In the future, there can be no assurance that Containers will choose to match any such bids or that, even if matched, such bids will be at a level sufficient to allow Containers to maintain margins currently received. Until any such bids are received by Nestle and submitted to the Company, the Company cannot predict the effect, if any, of such bids upon its

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financial condition or results of operations. Significant reduction of margins or the loss of significant unit volume under the Nestle Supply Agreements could, however, have a material adverse effect on the Company. Under the DM Supply Agreement, after five (5) years, Del Monte may, under certain circumstances, receive proposals with terms more favorable than those under the DM Supply Agreement from independent commercial can manufacturers for the supply of containers of a type and quality similar to the metal containers that Containers furnishes to Del Monte, which proposals shall be for the remainder of the term of the DM Supply Agreement and for 100% of the annual volume of containers at one or more of Del Monte's canneries. Containers has the right to retain the business subject to its meeting the terms and conditions of such competitive proposal. See "Business--Sales and Marketing."

Neither the Nestle Supply Agreements nor the DM Supply Agreement requires the purchase of minimum amounts, and should Nestle's or DM's demand decrease, the Company's consolidated sales could decrease. In addition, should Nestle terminate any of the Nestle Supply Agreements or Del Monte terminate the DM Supply Agreement because of Containers' inability to meet quality or other requirements, it is highly unlikely that the Company or its subsidiaries could quickly replace the amount of sales represented thereby. Therefore, it is probable that any such termination would have a material adverse effect on the Company. See "Business--Sales and Marketing."

Competition

The manufacture and sale of metal and plastic containers is highly competitive and many of the Company's competitors have substantially greater financial resources than the Company and its subsidiaries. See "Business-- -Competition."

Dependence on Key Personnel

The success of the Company depends to a large extent on a number of key employees, and the loss of the services provided by them could materially adversely affect the Company. In particular, the loss of the services provided by R. Philip Silver, the Chairman of the Board and Co-Chief Executive Officer of the Company, and D. Greg Horrigan, the President and Co-Chief Executive Officer of the Company, could materially adversely affect the Company. However, the Company's operations are conducted through its subsidiaries, Containers and Plastics, each of which has its own independent management. S&H, Inc. ("S&H"), a company wholly owned by Messrs. Silver and Horrigan, has agreed to provide certain general management and administrative services to each of the Company, Holdings, Containers and Plastics pursuant to management services agreements which are effective through 1999. See "Certain Transactions--Management Agreements" and "Description of Holdings Common Stock--Description of the Holdings Organization Agreement."

Other Management Interests

In the future, Messrs. Silver and Horrigan, possibly together with Morgan Stanley or its affiliates, may form additional corporations or partnerships or enter into other transactions for the purpose of making other acquisitions. In connection therewith, Messrs. Silver and Horrigan may provide certain general management and administrative services to such corporations and partnerships. Additionally, circumstances could arise in which the interests of Messrs. Silver and Horrigan, Morgan Stanley and its affiliates and such new corporations or partnerships could conflict with the interests of the Company.

Certain Interests of Affiliates

The Morgan Stanley Leveraged Equity Fund II, L.P. ("MSLEF II") owns 38.48% of the outstanding common stock of Holdings. See "Securities Ownership of Certain Beneficial Owners and Management--Certain Beneficial Owners of Holdings' Capital Stock." The general partner of MSLEF II and Morgan Stanley are both wholly owned subsidiaries of Morgan Stanley Group Inc. ("MS Group"), and two of the directors of Holdings and the Company are officers of Morgan Stanley. As a result of these relationships, MS Group and its affiliates will continue to have significant influence over the management policies and corporate affairs of the Company. Morgan Stanley also receives compensation for ongoing financial advice to the Company and its affiliates. See "Certain Transactions" and "Market-Making Activities of Morgan Stanley."

Certain decisions concerning the operations or financial structure of the Company may present conflicts of interest between the owners of Holdings' common stock and the holders of the 11-3/4% Notes. For example, if the

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Company encounters financial difficulties, or is unable to pay its debts as they mature, the interests of the Company's equity investors might conflict with those of the holders of the 11-3/4% Notes. In addition, the equity investors may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to the holders of the 11-3/4% Notes.

Trading Market for the 11-3/4% Notes

The 11-3/4% Notes are listed on the Pacific Stock Exchange. Morgan Stanley currently makes a market in the 11-3/4% Notes. However, it is not obligated to do so, and any such market-making may be discontinued at any time without notice, at its sole discretion. Therefore, no assurance can be given as to the liquidity of, or the trading market for, the 11-3/4% Notes. See "Market-Making Activities of Morgan Stanley."

The liquidity of, and trading market for, the 11-3/4% Notes may also be adversely affected by declines and volatility in the market for high yield securities generally as well as by any changes in the Company's financial performance or prospects.

THE COMPANY

The Company is a major manufacturer and seller of a broad range of steel and aluminum containers for the human food and pet food markets and plastic containers for the personal care, food, pharmaceutical and household markets in the United States. In 1993, the Company had net sales of $645 million.

On December 21, 1993, the Company's wholly owned subsidiary, Containers, acquired from Del Monte substantially all of the fixed assets and certain working capital of DM Can for approximately $73 million. See "Business--Company History" below. In connection therewith, Containers and Del Monte entered into the DM Supply Agreement pursuant to which Containers supplies substantially all of the metal container requirements of Del Monte for a term of ten (10) years. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 the Company would have had net sales of $818 million. See "Business--Sales and Marketing" below.

Management believes that the Company is the largest food can producer in the United States (based on pro forma unit sales after giving effect to the acquisition of DM Can) and one of the largest producers in the United States of HDPE containers for the personal care market and a major producer of PET products for the personal care and food markets. The Company has experienced significant growth since its inception in 1987 as a result of its acquisitions and related increased market position.

Management estimates that Containers is currently the nation's largest manufacturer of metal food containers and that in 1993 Containers sold approximately 27% of all metal food containers sold in the United States by non-captive manufacturers (manufacturers of containers not owned by a user of containers) and approximately 16% of all metal food containers sold in the United States, in each case based on unit sales. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 Containers would have sold approximately 34% of all metal food containers sold in the United States by non-captive manufacturers and approximately 22% of all metal food containers sold in the United States. Although the food can industry in the United States is relatively stable and mature in terms of unit sales growth, Containers, on a pro forma basis giving effect to the acquisition of DM Can, has realized compound annual unit sales growth in excess of 12% since 1987. Types of containers manufactured include those for vegetables, fruit, pet food, tomato based products, evaporated milk and infant formula. Pursuant to the Nestle Supply Agreements, Containers supplies substantially all of the can requirements of the former Carnation operations of Nestle. In addition to the Nestle Supply Agreements and the DM Supply Agreement, Containers has other long-term supply arrangements with other customers. The Company estimates that in excess of 80% of Containers' sales in 1994 will be pursuant to long-term supply arrangements. See "Business--Sales and Marketing" below.

Management believes that the Company's wholly owned subsidiary, Plastics, is one of the leading manufacturers of plastic containers sold in the United States for the personal care, household and pharmaceutical markets served by the Company. Plastic containers manufactured by Plastics include personal care containers for shampoos, conditioners, hand creams, lotions and cosmetics, household containers for light detergent liquids, scouring cleaners and specialty cleaning agents and pharmaceutical containers for tablets, laxatives and eye cleaning solutions. Plastics is also one of the leading manufacturers of PET containers sold in the United States for

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applications other than soft drinks. Plastics manufactures custom PET medicinal and health care product containers (such as mouthwash bottles), custom narrow-neck food product containers (such as salad dressing bottles), custom wide-mouth food product containers (such as mayonnaise and peanut butter containers) and custom non-soft drink beverage product containers (such as juice, water and liquor bottles). See "Business--Products."

The Company's strategy is to continue to improve its market position and profitability through focus on product quality, customer service, cost efficiencies, strategic acquisitions and market share growth through customers experiencing market share growth. At Containers, management has focused on achieving operating cost advantages over its competitors, primarily through low labor costs, low overhead, technologically advanced manufacturing processes and by exploiting the favorable geographic locations of its 22 can plants. Since its acquisition in 1987 of Nestle Can, Containers has invested more than $82 million in its existing manufacturing facilities and has spent approximately $66 million for the purchase of additional can manufacturing assets. As a result of these efforts and management's focus on quality and service, Containers has increased its overall share of the food can market by approximately 100% in terms of unit sales, from a share of approximately 11% in 1987 to a share of approximately 22% in 1993, on a pro forma basis giving effect to the acquisition of DM Can.

Plastics has increased its market position primarily by strategic acquisitions. From a sales base of $89 million in 1987, Plastics' sales increased to $186 million in 1993, or 13% on a compound annual basis. While many of Plastics' larger competitors employ technology oriented to large bottles and long production runs, Plastics has focused on mid-sized, extrusion blow-molded plastic containers requiring special decoration and shorter production runs. Plastics emphasizes value-added fabrication of the container, creative design and sophisticated decoration processes. Plastics is also aggressively pursuing new markets for plastic containers, including the PCR resin segment of the market. Based upon published information and management's experience in the industry, management believes that PET custom containers are replacing glass containers for products such as mouthwash, salad dressing, peanut butter and liquor. Management also believes that Plastics is well positioned because of its technologically advanced equipment to respond to opportunities for future growth in the rigid plastic container market. Furthermore, to the extent that mandatory recycling laws, customer preferences or manufacturing costs result in increased demand for HDPE containers that are manufactured using PCR resins, the Company believes that its proprietary equipment is particularly well-suited for the production of such containers because of the relatively low capital costs required to convert its equipment from the use of virgin resins.

The Company is also engaged in the manufacture and sale of paper containers primarily used by processors and packagers in the food industry. Sales of paper containers in 1993 were approximately $13 million.

Silgan is a Delaware corporation formed in August 1987 as a holding company to acquire interests in various packaging manufacturers. Prior to 1987, the Company did not engage in any business. In June 1989, the Company became a wholly owned subsidiary of Holdings, a Delaware corporation whose principal asset is all of the outstanding common stock of the Company. See "Business--Company History" below. The principal executive offices of Silgan are located at 4 Landmark Square, Stamford, Connecticut 06901, telephone number (203) 975-7110.

CAPITALIZATION

The following table sets forth the unaudited consolidated capitalization of the Company as of March 31, 1994. This table should be read in conjunction with the consolidated financial information of the Company, included elsewhere in this Prospectus.

	March 31, 1994
	(Dollars in Thousands)
Short-term debt:	
Current portion of term loans	$ 20,000
Working capital loans	5,800

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Total short-term debt <fa>	$ 25,800
Long-term debt:	
Term loans	$120,000
Senior Secured Floating Rate Notes due 1997	50,000
11-3/4% Senior Subordinated Notes due 2002	135,000
Total long-term debt <fa>	$305,000
Common stockholder's equity <fb>:	
Class A common stock, $0.01 par value, 1,000 shares authorized, 1 share issued and outstanding	$ --
Class B common stock, $0.01 par value, 1,000 shares authorized, 1 share issued and outstanding	--
Class C common stock, $0.01 par value, 1,000 shares authorized, no shares issued and outstanding	--
Additional paid-in capital	65,935
Accumulated deficit	(9,476)
Total common stockholder's equity	$ 56,459
Total capitalization	$361,459

[FN]

<fa> See "Description of Certain Indebtedness" and "Description of the 11-3/4% Notes."

<fb> For a description of the common stock of Silgan, see "Description of Silgan Capital Stock."

SELECTED FINANCIAL DATA

Set forth below are selected historical consolidated financial data of the Company at March 31, 1994 and for the three months then ended, and at December 31, 1993, 1992, 1991, 1990 and 1989 and for the years then ended.

The selected historical consolidated financial data of the Company for the three months ended March 31, 1994 and 1993 is unaudited but, in the opinion of management, such information reflects all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial data for the interim periods. The results for the interim periods presented are not necessarily indicative of the results for the corresponding full years. The selected historical consolidated financial data of the Company at December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993 (with the exception of employee data) was derived from the historical consolidated financial statements of the Company for such periods that were audited by Ernst & Young, independent auditors, whose report appears elsewhere in this Prospectus. The selected consolidated historical financial data at December 31, 1991, 1990 and 1989 and for the years ended December 31, 1990 and 1989 were derived from the historical audited consolidated financial statements for such periods.

The selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited financial statements and accompanying notes thereto included elsewhere in this Prospectus.

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SELECTED FINANCIAL DATA

	Three Months Ended March 31,	
	1994	1993
	(Dollars in thousands)	
Operating Data:		
Net sales	$186,243	$148,727
Cost of goods sold	163,520	131,822
Gross profit	22,723	16,905
Selling, general and administrative expenses	8,442	8,059
Income from operations	14,281	8,846
Interest expense and other related financing costs	8,369	6,733
Other expense (income)	156	(93)
Income before income taxes	5,756	2,206
Income tax provision	2,375	1,175
Income before cumulative effects of changes in accounting principles	3,381	1,031
Cumulative effect of changes in accounting principles, net of income taxes	--	(9,951)
Net income (loss)	$ 3,381	$ (8,920)
Ratio of earnings to fixed charges <fa>	1.63	1.30
Balance Sheet Data (at end of period):		
Fixed assets	$285,738	$221,904
Total assets	527,917	395,320
Total long-term debt	305,000	206,681
Common stockholder's equity	56,459	28,255
Other Data:		
EBDITA <fb>	$ 24,088	$17,076
Capital expenditures	4,896	5,463
Depreciation and amortization	9,836	8,037

	Year Ended December 31,				
	1993<fc>	1992	1991<fd>	1990<fe>	1989<fe>
	(Dollars in thousands)				
Operating data:					
Net sales	$645,468	$630,039	$678,211	$657,537	$610,682
Cost of goods sold	571,174	554,972	605,185	582,991	537,485
Gross profit	74,294	75,067	73,026	74,546	73,197
Selling, general and administrative expenses	31,786	32,249	33,619	36,366	34,687
Income from operations	42,508	42,818	39,407	38,180	38,510
Interest expense and					

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other related financing costs . .	27,928	26,916	28,981	34,233	36,714
Other expense (income)	35	25	(396)	(574)	(810)
Income before income taxes	14,545	15,877	10,822	4,521	2,606
Income tax provision <ff>	6,300	2,200	1,500	1,579	995
Income before extraordinary charges and cumulative effect of changes in accounting principles	8,245	13,677	9,322	2,942	1,611
Extraordinary charges relating to early extinguishment of debt	(841)	(9,075)	--	--	--
Cumulative effect of changes in accounting principles, net of taxes <fg>	(9,951)	--	--	--	--
Net income (loss) . .	(2,547)	4,602	9,322	2,942	1,611
Preferred stock dividend requirements . . .	--	2,745	3,889	3,356	2,897
Net income (loss) applicable to common stockholder	$ (2,547)	$ 1,857	$ 5,433	$ (414)	$ (1,286)
Ratio of earnings to fixed charges <fa>	1.48	1.54	1.34	1.12	1.07
Balance Sheet Data (at end of period):					
Fixed assets	$290,395	$223,879	$230,501	$244,672	$245,039
Total assets	492,064	382,154	382,330	434,439	431,489
Total long-term debt	305,000	206,681	140,701	188,598	213,512
Redeemable preferred stock	--	--	27,878	24,061	20,766
Common stockholder's equity	52,803	32,775	46,642	41,209	38,823
Other Data:					
EBDITA <fb>	$ 76,769	$ 74,547	$ 72,651	$ 70,223	$ 67,638
Capital expenditures	42,480	23,447	21,834	22,908	20,201
Depreciation and amortization . . .	33,818	31,754	32,848	29,496	23,483
Number of employees (at end of period) <fh>	3,330	3,340	3,560	4,330	4,210

(footnotes follow)

Notes to Selected Financial Data

[FN]

<fa> For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges, excluding capitalized interest, and fixed charges consist of interest, whether expensed or capitalized, amortization of debt expense and discount or premium relating to any indebtedness, whether expensed or capitalized, and such portion of rental expense that is representative of the interest factor.

<fb> "EBDITA" means consolidated net income before extraordinary charges, cumulative effect of changes in accounting principles and preferred stock dividends plus, to the extent reflected in the income statement for the period for which consolidated net income is to be determined, without duplication, (i) consolidated interest expense, (ii) income tax expense, (iii) depreciation expense, (iv) amortization expense, (v)

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expenses relating to postretirement health care costs which amounted to $0.478 million in 1993, and (vi) charges relating to the vesting of benefits under SARs in connection with the 1989 Mergers of $1.973 million and $4.835 million in 1990 and 1989, respectively.

<fc> On December 21, 1993, the Company acquired from Del Monte substantially all of the fixed assets and certain working capital of its container manufacturing business. The acquisition was accounted for as a purchase transaction and the results of operations have been included with the Company's historical results from the acquisition date. See "Business--Company History." For a discussion of the adjustments relating to such acquisition, see the Pro Forma Unaudited Combined Statement of Operations for the year ended December 31, 1993 and the notes thereto appearing on pages F-45 to F-47 of this Prospectus.

<fd> On November 15, 1991, the Company completed the PET Beverage Sale. For 1991, sales from the PET carbonated beverage business were $33.4 million. See "Business--Company History."

<fe> On July 13, 1990, Holdings and the Company entered into the SPHI Business Combination with SPHI whereby SPHI became a majority owned subsidiary of the Company. The SPHI Business Combination was accounted for in a manner similar to a pooling of interests and accordingly the Company's consolidated financial statements include SPHI for periods subsequent to July 24, 1989. SPHI was formed in 1989 to acquire, through its wholly owned subsidiary Silgan PET, the business and related assets of Amoco Container. Such acquisition occurred on July 24, 1989 and was accounted for as a purchase transaction. See "Business--Company History."

<ff> Effective January 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes," which requires the Company to provide for taxes as if it were a separate taxpayer. For years prior to 1993, the Company determined its tax provision on a separate company basis with the exception of certain matters covered under a tax allocation agreement with Holdings under which the Company obtained a federal tax benefit for Holdings' tax losses. The effect of the adoption of SFAS No. 109 was to increase the 1993 tax provision by $4.4 million.

<fg> During 1993, the Company adopted SFAS No. 106, "Employers Accounting for Postretirement Benefits Other than Pensions," SFAS No. 109, "Accounting for Income Taxes" and SFAS No. 112, "Employers Accounting for Postemployment Benefits." The Company has elected not to restate prior year's financial statements for any of these pronouncements.

<fh> The number of employees at December 31, 1993 excludes 650 employees who joined the Company on December 21, 1993 as a result of the acquisition by Containers of DM Can.

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

General

Although the food can industry in the United States is relatively stable and mature in terms of unit sales growth, Containers has realized compound annual unit growth in excess of 7% since 1987. On a pro forma basis giving effect to the acquisition of DM Can, annual unit sales growth of Containers is in excess of 12% since 1987. Plastics is pursuing new markets for its plastic containers, including the PCR resin segment of the market. Based upon published information and management's experience in the industry, management believes that PET custom containers are replacing glass containers for products such as mouthwash, salad dressing, peanut butter and liquor. Management also believes that Plastics is well positioned because of its

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technologically advanced equipment to respond to opportunities for future growth in the rigid plastic container market.

Sales growth at Containers and Plastics has enabled the Company to improve EBDITA by achieving economies of scale. Since 1991 Containers has closed two smaller, higher cost facilities and Plastics has implemented an aggressive consolidation and rationalization program that resulted in the closing of three plants, the consolidation of technical and administrative centers and a substantial reduction in personnel. In November 1991, Plastics sold its nonstrategic PET carbonated beverage bottle business, exiting that commodity business. The Company has reduced its selling and administrative expenses and its manufacturing costs as a result of these actions.

In 1992, the Company and Holdings completed the Refinancing to improve their financial flexibility. See "Business--Company History."

On December 21, 1993, Containers acquired the assets of DM Can for approximately $73 million. In connection with the acquisition of DM Can, Containers and Del Monte entered into the DM Supply Agreement under which for a term of ten years Containers will supply all of Del Monte's metal container requirements for the packaging of food and beverages in the United States and not less than 65% of Del Monte's annual requirements of metal containers for the packaging of food and beverages at Del Monte's Irapuato, Mexico facility. As a result of the acquisition of DM Can, the Company will produce almost all of the containers necessary to package the canned vegetable and fruit products of Del Monte, the largest provider of canned fruits and vegetables in the United States.

In conjunction with the acquisition of DM Can, the Company entered into the Credit Agreement with the Banks. The proceeds from the Credit Agreement were used to finance, in part, the acquisition of DM Can, repay in full amounts owing under the Amended and Restated Credit Agreement (as defined under "Business--Company History") and pay fees and expenses related thereto. Additionally, Holdings issued and sold 250,000 shares of its Class B Common Stock for $15 million, which amount Holdings contributed to the capital of Silgan.

The Company believes that the combination of the nine DM Can facilities with its existing thirteen can plants will create cost reduction opportunities through plant rationalization and equipment investment as well as additional cost savings from production scheduling and line reconfiguration.

This discussion should be read in conjunction with the selected financial data, the pro forma financial data, the historical statements of operations and the notes thereto included elsewhere in this Prospectus. In addition to the discussion of historical results of operations, to provide more meaningful information about the acquisition of DM Can, management has provided a pro forma discussion of the results of operations of the Company for the year ended December 31, 1993 as compared to the year ended December 31, 1992, after giving effect to the acquisition of DM Can.

Results of Operations

Three Months Ended March 31, 1994 Compared with Three Months Ended March 31, 1993.

Net sales of metal containers were $133.3 million for the three months ended March 31, 1994 (including net sales of $50.4 million and $35.5 million to Nestl and Del Monte, respectively, during such period), an increase of $36.0 million, or 37.0%, over net sales of metal containers of $97.3 million for the same period in 1993 (including net sales of $57.8 million and $2.0 million to Nestl and Del Monte, respectively, during the same period in 1993). The increase in net sales for the three months ended March 31, 1994 as compared to the three months ended March 31, 1993 was primarily attributable to increased unit sales due to the acquisitions of DM Can in December 1993 and of an additional manufacturing facility in May 1993 and to the earlier sales of containers to certain vegetable pack customers, offset, in part, by lower unit sales to Nestl and lower average sales prices.

Net sales of plastic containers increased $2.1 million, or 4.4%, to $50.0 million for the three months ended March 31, 1994, as compared to $47.9 million for the same period in 1993. The increase in net sales was principally attributable to a change in the mix of products sold.

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Sales of other containers totaled $2.9 million for the three months ended March 31, 1994, compared to $3.5 million for the same period in 1993.

Cost of goods sold was 87.8% of net sales ($163.5 million) for the three months ended March 31, 1994, a decrease of 0.8 percentage points as compared to 88.6% of net sales ($131.8 million) for the same period in 1993. The decrease in cost of goods sold as a percentage of net sales principally resulted from improved manufacturing efficiencies as a result of capital investments, increased margin contribution due to a change in the mix of products sold and economic benefits resulting from the acquisition of DM Can. Also, the purchase of an additional manufacturing facility in May 1993 increased production capacity and eliminated the Company's first quarter 1993 outsourcing requirement for which there was no margin contribution.

Selling, general and administrative expenses as a percentage of net sales declined 0.9 percentage points to 4.5% of net sales ($8.4 million) for the three months ended March 31, 1994, as compared to 5.4% ($8.1 million) for the same period in 1993. The decrease as a percentage of net sales resulted from the Company's ability to absorb the increase in selling, general and administrative functions associated with the acquisition of DM Can with a modest increase in expenses and a decline in selling, general and administrative expenses of the Company's other existing business.

Income from operations as a percentage of net sales increased 1.8 percentage points to 7.7% ($14.3 million) for the three months ended March 31, 1994, compared with 5.9% ($8.8 million) for the same period in 1993. The increase in income from operations of $5.5 million was attributable to the aforementioned increase in gross profit margin and the maintenance of a constant level of selling, general and administrative expenses.

Interest expense increased by approximately $1.7 million to $8.4 million for the three months ended March 31, 1994. The increase resulted from the incurrence of additional bank borrowings to finance the acquisition of DM Can and higher average interest rates.

The provisions for income taxes for the three months ended March 31, 1994 and March 31, 1993 provide for taxes as if the Company were a separate taxpayer in accordance with SFAS No. 109.

As a result of the items discussed above, income before cumulative effect of changes in accounting principles for the three months ended March 31, 1994 was $3.4 million, $2.4 million greater than income before cumulative effect of changes in accounting principles for the three months ended March 31, 1993 of $1.0 million.

Effective January 1, 1993, the Company adopted SFAS No. 106, SFAS No. 109 and SFAS No. 112. The cumulative effect of these accounting changes for years prior to 1993 was to decrease net income by $10.0 million.

Year Ended December 31, 1993 Compared with Year Ended December 31, 1992.

Net sales of metal containers increased $20.1 million, or 4.7%, to $445.9 million for the year ended December 31, 1993, compared to $425.8 million for the same period in 1992. Net sales of metal containers to Nestle decreased $11.6 million to $214.1 million, compared to net sales of $225.7 million for the same period in 1992, primarily due to reduced demand by Nestle. Net sales of metal containers to other customers increased $31.7 million to $231.8 million, compared to net sales of $200.1 million for the same period in 1992. The increase was primarily due to an increase in unit sales to existing non-vegetable pack customers and the purchase of an additional manufacturing facility in May 1993, which accounted for sales of $12.5 million, offset, in part, by lower unit sales to vegetable pack customers due to the extremely wet weather in the Midwest in the summer of 1993.

Net sales of plastic containers were $186.3 million for the year ended December 31, 1993, $6.3 million lower than net sales of plastic containers of $192.6 million for the same period in 1992. The decrease in net sales was primarily attributable to lower unit sales to existing customers due to soft market conditions.

Sales of other containers increased approximately 15% to $13.3 million for the year ended December 31, 1993, compared to $11.6 million for the same period in 1992.

Cost of goods sold was 88.5% of net sales ($571.2 million) for the year ended December 31, 1993, compared to 88.1% of net sales ($555.0 million) for

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the same period in 1992. The increase in cost of goods sold as a percentage of sales principally resulted from higher per unit manufacturing costs incurred as a result of higher depreciation expense, lost margin on outsourced cans due to capacity constraints in early 1993, offset, in part, by general gains in manufacturing efficiencies.

Selling, general and administrative expenses were 4.9% of net sales ($31.8 million) for the year ended December 31, 1993, compared to 5.1% ($32.2 million) for the same period in 1992. The decrease in selling, general and administrative expenses as a percentage of sales was principally attributable to the maintenance of a constant level of expenditures on a greater sales base.

Income from operations as a percentage of net sales was 6.6% ($42.5 million) for the year ended December 31, 1993, compared to 6.8% ($42.8 million) for the same period in 1992. The 0.2% decrease in income from operations as a percentage of sales was due primarily to the aforementioned decrease in gross profit margin.

Interest expense increased by approximately $1.0 million to $27.9 million for the year ended December 31, 1993. The increase was due to additional indebtedness incurred by the Company as a result of the refinancing in June 1992 of the Company's debt and preferred stock and Holdings debt, offset, in part, by lower average interest rates.

The provision for income taxes for 1993 of $6.3 million reflects the adoption of SFAS No. 109 which requires the Company to provide for taxes as if it were a separate taxpayer. Prior to the adoption of SFAS No. 109, the Company determined its income tax provision on a separate company basis with the exception of certain matters covered under a tax allocation agreement with Holdings under which Silgan obtained a federal income tax benefit for Holdings' tax losses. For purposes of SFAS No. 109, the benefit of the tax allocation agreement is reflected as a contribution to additional paid-in capital instead of a reduction in federal income tax expense. For 1992 the provision for income taxes of $2.2 million was comprised of state and foreign components and recognized the benefit of certain deductions for federal income tax which were available to Holdings.

Income before the extraordinary charge and cumulative effect of changes in accounting principles for the year ended December 31, 1993 was $8.2 million, as compared to $13.7 million for the year ended December 31, 1992. The decline in income before the extraordinary charge and cumulative effects of changes in accounting principles was principally the result of the change in the financial reporting of income tax expense.

As a result of the refinancing of the Amended and Restated Credit Agreement in conjunction with the acquisition of DM Can and the refinancing in June 1992 of the Company's debt and preferred stock and Holdings' debt, the Company incurred extraordinary charges of $0.8 million and $9.1 million for the early extinguishment of debt in 1993 and 1992, respectively.

During 1993 the Company adopted SFAS No. 106, SFAS No. 109 and SFAS No. 112. The cumulative effect of these accounting changes was to decrease net income by $3.2 million, $6.0 million and $0.8 million, respectively.

Year Ended December 31, 1992 Compared with Year Ended December 31, 1991

Net sales of metal containers decreased $9.5 million to $425.8 million for the year ended December 31, 1992, compared to $435.3 million for the same period in 1991. Net sales of metal containers to Nestle increased $12.6 million to $225.7 million, compared to net sales of $213.1 million for the same period in 1991, primarily due to increased unit sales of pet food containers, offset, in part, by less demand for tomato cans due to a smaller pack in 1992 than in the prior year and by the pass through of lower material costs. Net sales of metal containers to other customers decreased $22.1 million to $200.1 million, compared to net sales of $222.2 million for the same period in 1991. The decrease was primarily due to colder and wetter summer weather experienced in the Midwest which resulted in a reduced vegetable pack as compared to the prior year along with lower unit sales volume as a result of the closing by the Company of two metal container manufacturing facilities, and was partially offset by increased sales to existing customers.

Net sales of plastic containers were $192.6 million for the year ended December 31, 1992, $39.5 million lower than net sales of plastic containers of $232.1 million for the same period in 1991. The decrease in net sales was

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primarily attributable to the disposition of the PET carbonated beverage bottle business in November 1991 which accounted for sales of $33.4 million during the year ended December 31, 1991. The decrease in net sales of other plastic containers of $6.1 million was attributable to lower average sales prices due to the pass through of lower average resin costs and a change in the mix of products sold.

Sales of other containers totaled $11.6 million for the year ended December 31, 1992, compared to $10.8 million for the same period in 1991.

Costs of goods sold was 88.1% of net sales ($555.0 million) for the year ended December 31, 1992, compared to 89.2% of net sales ($605.2 million) for the same period in 1991. The decrease in cost of goods sold as a percentage of sales principally resulted from lower per unit manufacturing costs realized through improved manufacturing efficiencies in the Company's existing plant facilities, the benefits realized from the closing of four higher cost manufacturing plants in the latter part of 1991 and early 1992, and the sale of the lower margin PET carbonated beverage business, offset, in part, by lower margins realized on certain products due to competitive pricing conditions.

Selling, general and administrative expenses were 5.1% of net sales ($32.2 million) for the year ended December 31, 1992, compared to 5.0% ($33.6 million) for the same period in 1991. The $1.4 million decrease was principally attributable to cost savings generated from a reduction in administrative personnel, partially offset by a charge for an uncollectible account that has been fully reserved.

Income from operations as a percentage of net sales was 6.8% ($42.8 million) for the year ended December 31, 1992, compared to 5.8% ($39.4 million) for the same period in 1991. The 1.0% increase in income from operations as a percentage of sales was due primarily to the improved overall margins realized by the Company from its existing operations after closing four higher cost manufacturing facilities in the latter part of 1991 and early 1992 and the disposition in November 1991 of the lower margin PET carbonated beverage business.

Interest expense decreased by approximately $2.1 million to $26.9 million for the year ended December 31, 1992. The decrease was due to lower average interest rates incurred on a lower average balance of bank borrowings, offset, in part, by the incurrence of additional indebtedness as a result of the Refinancing. Average bank borrowings declined due to tighter management of inventories and term loan repayments.

The provisions for income tax for the years ended December 31, 1992 and 1991 were comprised of state and foreign components and recognize the benefit of certain deductions for federal income tax purposes which are available to Holdings.

As a result of the items discussed above, income before the extraordinary charge and preferred stock dividends for the year ended December 31, 1992 was $13.7 million, $4.4 million greater than the net income before preferred stock dividends for the year ended December 31, 1991 of $9.3 million.

As a result of the Refinancing, the Company incurred an extraordinary charge of $9.1 million for the early extinguishment of debt. Such charge reflects a $5.8 million expense for premiums paid in connection with the Redemptions (as defined in "-- Capital Resources and Liquidity") and the charge-off of $3.3 million for unamortized debt financing costs related to the securities redeemed under the Redemptions.

Results of Operations - Pro Forma

The following discussion sets forth the pro forma results of operations of the Company for the year ended December 31, 1993 as compared to the year ended December 31, 1992, after giving effect to the acquisition of DM Can.

The following table sets forth, for the years ended December 31, 1993 and 1992, certain consolidated pro forma data. This data includes the historical results of operations for the Company and DM Can and give effect to the pro forma adjustments assuming the acquisition occurred at the beginning of each year presented. The pro forma adjustments are based upon available information and upon certain assumptions that the Company believes are reasonable. The final purchase price allocation may differ from that used for the pro forma data, although it is not expected that the final allocation of purchase price will be materially different. The unaudited pro forma combined financial data do not purport to represent what the Company's financial position or results of operations would actually have been had the transactions in fact occurred on the dates or at the beginning of the period indicated, or to project the Company's financial position or results of

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operations for any future date or period. This discussion should be read in conjunction with the discussion of historical results of operations of the Company for the years ended December 31, 1993 and 1992.

	1993	1992
	(Dollars in millions)	
Net sales	$818.6	$819.6
Income from operations	51.3	57.3
Income before income taxes	18.9	25.4
Income before extraordinary charges and cumulative effect of changes in accounting principles	10.9	22.3
Net income	0.1	13.2

Management believes that pro forma income from operations in 1993 declined $6.0 million as compared to the prior year primarily as a result of a one-time inventory reduction by Del Monte in anticipation of the sale of DM Can to Containers and, to a lesser extent, due to lower vegetable pack sales as a result of adverse growing conditions in the Midwest in the summer of 1993.

The pro forma income before the extraordinary charge and cumulative effect of changes in accounting principles in 1993 of $10.9 million declined $11.4 million from 1992. Management believes that this decrease principally resulted from the one-time inventory reduction and reduced demand for vegetable pack containers as referred to above and the adoption of SFAS No. 109 "Accounting for Income Taxes."

The pro forma provision for income taxes for 1993 reflects the adoption of SFAS No. 109 which requires the Company to provide for taxes as if it were a separate taxpayer. As a result of this new standard, the Company's 1993 pro forma income tax expense increased by $5.9 million over the prior year. Prior to the adoption of SFAS No. 109, the provision for income taxes was comprised of state and foreign components and recognized the benefit of certain deductions for federal income tax which were available to Holdings.

Capital Resources and Liquidity

Silgan's liquidity requirements arise primarily from its obligations under the indebtedness incurred in connection with its acquisitions and the refinancing of such indebtedness, capital investment in new and existing equipment and the funding of Silgan's seasonal working capital needs. Historically, Silgan has met these liquidity requirements through cash flow generated from operating activities and working capital borrowings. As described below, beginning in December 1996 Silgan's liquidity requirements may also be affected by the interest associated with Holdings' indebtedness.

For the first three months of 1994, the borrowing of working capital loans of $3.6 million along with $5.3 million of cash provided by operating activities were used to fund net capital expenditures of $4.9 million, increase cash balances by $2.5 million and pay $1.5 million in partial settlement of outstanding litigation. The Company's earnings before depreciation, interest, taxes and amortization for the three months ended March 31, 1994 increased by $7.1 million over the same period in the prior year to $24.1 million. However, cash provided by operations during the first three months of 1994 remained relatively constant with the same period in 1993 because there was an increase in working capital needs in 1994. During the first three months of 1994 there was an increase in accounts receivable due to greater sales during the first quarter of 1994 and an increase in inventories due to the projected requirements for DM Can, offset by an increase in trade accounts payable resulting from the higher inventory levels.

On December 21, 1993 Silgan, Containers and Plastics entered into the Credit Agreement to finance the acquisition of DM Can and to refinance and repay in full all amounts owing under the Amended and Restated Credit Agreement. In conjunction therewith, the Banks loaned the Company $60.0 million of A Term Loans, $80.0 million of B Term Loans and $29.8 million of Working Capital Loans (each as defined in "Description of Certain Indebtedness--Description of Credit Agreement"). In addition, Holdings issued and sold 250,000 shares of its Class B common stock, par value $.01 per share (the "Holdings Class B Stock), for $15.0 million and, in turn, contributed such amount to Silgan. With these proceeds, the Company (i)

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repaid $41.5 million of term loans and $60.8 million of working capital loans under the Amended and Restated Credit Agreement; (ii) acquired from Del Monte substantially all the fixed assets and certain working capital of Del Monte's container manufacturing business for approximately $73 million; and (iii) paid fees and expenses of $8.9 million.

For 1993, the Company used cash generated from operations of $48.3 million and available cash balances of $2.5 million to fund capital expenditures of $42.5 million, repay working capital loans of $7.2 million (in addition to working capital loans which were repaid with proceeds from the Credit Agreement), and pay $1.1 million of term loans. During the year, the Company increased its annual amount of capital spending in order to reduce costs and to add incremental production capacity. The increase in inventory at December 31, 1993 as compared to the prior year principally resulted from the inventory acquired as part of the acquisition of DM Can.

To improve their financial flexibility, Silgan and Holdings completed the Refinancing in 1992. The Refinancing (i) lowered Holdings' consolidated average cost of indebtedness by refinancing Silgan's 14% Senior Subordinated Notes due 1997 (the "14% Notes") and Holdings' Senior Reset Debentures due 2004 (the "Holdings Reset Debentures") with new indebtedness bearing lower interest rates, (ii) improved Silgan's liquidity and ability to further repay its indebtedness by eliminating Silgan's obligation to pay cash dividends on Silgan's 15% Cumulative Exchangeable Preferred Stock (the "Preferred Stock") through the redemption by Silgan on August 16, 1992 of all of the outstanding Preferred Stock (the "Preferred Stock Redemption") and by deferring for an additional two years (until December 1996) and reducing the cash interest requirements on Holdings' indebtedness, (iii) provided Holdings with additional financial flexibility by eliminating restrictions in the indenture relating to the 14% Notes on Silgan's ability to pay dividends to Holdings in order to fund interest payments on Holdings' indebtedness through the redemption by Silgan on August 28, 1992 of all of the outstanding 14% Notes (the "14% Notes Redemption") and (iv) extended the average length of maturity of Silgan's indebtedness by issuing the 11-3/4% Notes and the Secured Notes to refinance $30 million of bank term loans and the 14% Notes.

The Refinancing included the following components: (i) the public offering (the "11-3/4% Notes Offering") in June 1992 by Silgan of $135 million principal amount of the 11-3/4% Notes; (ii) the private placement in June 1992 by Silgan of $50 million principal amount of the Secured Notes with certain institutional investors (the "Secured Notes Placement"); (iii) the public offering in June 1992 by Holdings of $275 million principal amount of the Holdings Discount Debentures for an aggregate amount of proceeds of $165.4 million (the "Holdings Debentures Offering" and, together with the 11-3/4% Notes Offering and the Secured Notes Placement, the "Debt Securities Financings"); (iv) the amendment of the Amended and Restated Credit Agreement, followed by the borrowing by Silgan of approximately $17 million of working capital loans and the prepayment of $30 million of term loans under the Amended and Restated Credit Agreement; (v) the 14% Notes Redemption; (vi) the Preferred Stock Redemption; (vii) the repayment by Silgan of a $25.2 million advance from Holdings and the payment to Holdings of a $15.7 million dividend; (viii) the payment by Holdings in cash of $15.3 million of interest payable on July 1, 1992 on the Holdings' Reset Debentures; (ix) the redemption by Holdings on July 29, 1992 of all of the outstanding Holdings Reset Debentures at 103.67% of the principal amount thereof and the payment in cash of accrued interest thereon for an aggregate amount of $184 million (the "Holdings Reset Debentures Redemption" and, together with the 14% Notes Redemption and the Preferred Stock Redemption, the "Redemptions"); and (x) the payment of transaction fees and expenses of $17.3 million related to the Refinancing.

In connection with the Refinancing, Silgan received $174.7 million in proceeds from the issuance of the Secured Notes and 11-3/4% Notes, net of debt issuance costs of $10.3 million. Silgan repaid a $25.2 million advance from Holdings and made a $15.7 million dividend payment to Holdings, for an aggregate payment of $40.9 million which was used by Holdings, together with the proceeds received from the sale of the Holdings Discount Debentures, to redeem the Holdings Reset Debentures. In addition, Silgan repaid $30 million of bank term loans. On August 16, 1992, the Company paid $31.5 million to redeem the Preferred Stock. On August 28, 1992, the Company paid $89.3 million to redeem the 14% Notes. Approximately $17 million of working capital loans were borrowed to complete such redemptions.

In addition to the borrowing of working capital loans used to effect the Refinancing, Silgan borrowed working capital loans of $2.2 million during the year ended December 31, 1992 which, along with cash provided by operations during 1992 of $34.4 million, were used principally to fund capital

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expenditures of $23 million, to make bank term loan repayments of $10.2 million (in addition to the term loan repayment made in connection with the Refinancing), to pay cash dividends of $1.1 million on the Preferred Stock and to increase outstanding cash balances by $2.3 million.

During 1991, cash provided from operations of $61.3 million was used to fund capital expenditures of $21.8 million and scheduled bank term loan repayments of $25 million. The balance of the cash provided from operations during the year of $14.5 million was used to repay working capital loans and principally resulted from the receipt in January 1991 of $16 million from a major customer on an account normally settled by the prior year's end. In November 1991, the Company completed the sale of its PET carbonated beverage bottle business. The proceeds of approximately $12 million, net of costs associated with such sale, were principally used to repay bank term loans. Due to reduced working capital requirements, $4 million of working capital loans was also repaid.

Since a portion of the proceeds realized from the Credit Agreement on December 21, 1993 was used to repay working capital loans under the Amended and Restated Credit Agreement, the Company was able to reduce the amount of its commitment for working capital loans. Under the Credit Agreement, the commitment for working capital loans was reduced by $41 million to $70 million. As of March 31, 1994, the outstanding principal amount of working capital loans was $5.8 million and, subject to a borrowing base limitation and taking into account outstanding letters of credit, the unused portion of working capital commitments at such date was $57.8 million. The decrease of $32.5 million in the outstanding principal amount of working capital loans since March 31, 1993 resulted from the repayment of approximately $30 million of working capital loans with proceeds from the refinancing of the Credit Agreement as well as from cash generated from operations.

Because the Company sells metal containers used in vegetable and fruit processing, its sales are seasonal. As a result, a significant portion of the Company's revenues are generated in the first nine months of the year. As is common in the packaging industry, the Company must access working capital to build inventory and then carry accounts receivable for some customers beyond the end of the summer and fall packing season. Seasonal accounts are generally settled by year end. Due to the Company's seasonal requirements, the Company expects to incur short term indebtedness to finance its working capital requirements, and it is estimated that approximately $50 million of the working capital revolver, including letters of credit, will be utilized at its peak in July 1994.

In addition to its operating cash needs, the Company's cash requirements over the next several years are anticipated to consist primarily of (i) annual capital expenditures of $25 million to $33 million (approximately $13 million of which is nondiscretionary in each year), (ii) principal amortization payments of A Term Loans under the Credit Agreement of $20 million in each of 1994, 1995 and 1996, (iii) expenditures of approximately $13 million associated with the rationalization of facilities related to the acquisition of DM Can, (iv) the scheduled maturity on September 15, 1996 of the Working Capital Loans and $80 million of B Term Loans under the Credit Agreement, (v) payments by Silgan to Holdings to fund Holdings' semi-annual cash interest requirements of $18.2 million on the Holdings Discount Debentures commencing in December 1996, (vi) the scheduled maturity of the $50 million principal amount of the Secured Notes in 1997, and (vii) the Company's interest requirements (including interest on the Working Capital Loans, the principal amount of which will vary depending upon seasonal requirements, the Secured Notes and bank term loans, all of which bear fluctuating rates of interest, and the 11-3/4% Notes).

The Company is a wholly owned subsidiary of Holdings, a holding company with no significant assets or operations other than its investment in and advances to Silgan. Holdings is highly leveraged as a result of the indebtedness that it incurred in connection with the 1989 Mergers. See "Business -- Company History." Holdings' principal liabilities are the Holdings Discount Debentures and its guaranty of the Credit Agreement. Because Holdings' indebtedness does not require payment of interest until December 1996 and because the Company has not in the past provided funds to Holdings to pay interest on Holdings' indebtedness, the Company's liquidity has not been, and until December 1996 is not expected to be, affected by Holdings' indebtedness.

Interest on the Holdings Discount Debentures is payable at a rate of 13-1/4% per annum from and after June 15, 1996, and commencing on December 15, 1996 semi-annual interest payments of $18.2 million will be required to be

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made thereon. Since Holdings' only asset is its investment in Silgan, its ability to pay interest on the Holdings Discount Debentures on and after December 15, 1996 (the date on which interest is first payable on the Holdings Discount Debentures) may depend upon its receipt of funds paid by dividend or otherwise loaned, advanced or transferred by Silgan to Holdings. While Silgan has no legal obligation to make such funds available, it is expected that Silgan will do so if it is permitted under the agreements to which it shall then be a party and if it then has sufficient funds available for such purpose. If sufficient funds to pay such interest are not generated by the operations of Silgan's subsidiaries, Silgan or Holdings may seek to borrow or otherwise finance the amount of such payments or refinance the Holdings Discount Debentures. Neither the Indenture nor the Secured Notes limits the ability of Silgan to pay cash dividends to Holdings in order to enable Holdings to pay interest on the Holdings Discount Debentures. The Credit Agreement presently prohibits Silgan from paying dividends or otherwise transferring funds to Holdings in order to service Holdings' indebtedness; however, the Credit Agreement matures on September 15, 1996, prior to the date on which interest or principal is payable on the Holdings Discount Debentures. Silgan expects to enter into a new credit facility to replace the Credit Agreement on or before September 15, 1996 on terms which would not limit the ability of Silgan to transfer funds to Holdings in order to enable Holdings to pay interest on the Holdings Discount Debentures. However, there can be no assurance that Silgan will be able to enter into a new credit facility on such terms. In such event, Silgan and Holdings would consider pursuing alternative arrangements, including possible equity and/or debt financings, to enable Holdings to meet its obligations. There can be no assurance that any such alternative, if pursued, would be accomplished or would enable Holdings to make timely payments of its obligations under the Holdings Discount Debentures. The funding requirements of Holdings to service its indebtedness (beginning in December 1996) will be met by Silgan through cash generated by operations or borrowings or by Holdings through refinancings of its existing indebtedness or additional debt or equity financings.

The Holdings Discount Debentures represent "applicable high yield discount obligations" ("AHYDOs") within the meaning of Section 163(i) of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the tax deduction which would otherwise be available to Holdings in respect of the accretion of interest on the Holdings Discount Debentures during their noncash interest period ending June 15, 1996 ($109.6 million) has been and will continue to be deferred, which, in turn, will increase the taxable income of Holdings and reduce the after-tax cash flows of Holdings. However, as a result of Holdings' utilization of its net operating loss carryforward, which currently amounts to approximately $105 million for regular federal income tax purposes, the effect of such deferral on the regular federal income taxes of Holdings has been and will continue to be mitigated until such net operating loss carryforward is fully utilized.

In 1993, Holdings became subject to alternative minimum tax ("AMT"). Because Holdings has AMT net operating loss carryforwards, Holdings has incurred and will continue to incur an AMT liability at a rate of 2%. In 1995, Holdings anticipates that the AMT loss carryforward will have been fully utilized. Thereafter, Holdings will incur an AMT liability at a rate of 20% (or the applicable rate then in effect). The AMT paid is allowed (subject to certain limitations) as an indefinite credit carryover against Holdings' regular tax liability in the future when and if Holdings' regular tax liability exceeds the AMT liability.

The deferred accreted interest will not be deductible until the redemption, retirement or other repayment of the Holdings Discount Debentures (other than with stock or debt of Holdings or a related party). Until the deferred accreted interest is deductible, except to the extent the net operating loss carryforward is available, Holdings will realize taxable income sooner and in a greater amount than if the deferred accreted interest on the Holdings Discount Debentures were deductible as it accretes. Depending upon its tax position and financial condition and the benefit which may be available through the deduction of the deferred accreted interest, Holdings could decide in the future to refinance the Holdings Discount Debentures or a portion thereof prior to their stated maturity date. In such event, the full amount of the deferred accreted interest (applicable to the Holdings Discount Debentures retired) should be deductible under the carryback and carryforward rules under the Code unless the holders of the Holdings Discount Debentures receive stock or debt of Holdings or a related party in exchange for the Holdings Discount Debentures. No assurance can be given that Holdings will be able to refinance the Holdings Discount Debentures at such time; however, management believes that application of the AHYDO rules will not have a material adverse effect on Holdings' financial condition or ability to repay the Holdings Discount Debentures. In addition, the Internal Revenue Service ("IRS") has broad authority to issue regulations under the AHYDO rules with retroactive effect to prevent the avoidance of the

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purposes of those rules through agreements to borrow amounts due under a debt instrument or other arrangements, and thus these regulations, when issued, may affect the timing or availability of the tax deductions for original issue discount on the Holdings Discount Debentures.

Management believes that cash generated by operations and funds from working capital borrowings under the Credit Agreement will be sufficient to meet the Company's expected operating needs, planned capital expenditures and debt service requirements until the maturity of the working capital facility under the Credit Agreement on September 15, 1996. Management also believes that it will be able to replace the working capital facility under the Credit Agreement with another facility on or prior to September 15, 1996 on terms which will be acceptable to the Company. However, there can be no assurance that the Company will be able to replace its working capital facility. In such event, the Company could be required to consider alternative equity or debt financings in order to meet its cash needs. The ability of the Company to effect any such financing and the extent to which the Company may seek or be required to obtain additional financing will depend upon a variety of factors, including, the future performance of the Company and its subsidiaries, which will be subject to prevailing economic conditions and to financial, business and other factors (including the state of the economy and the financial markets, demand for the products of the Company and its subsidiaries, costs of raw materials, legislative and regulatory changes and other factors beyond the control of the Company and its subsidiaries) affecting the business and operations of the Company and its subsidiaries as well as prevailing interest rates, actual amounts expended for capital expenditures and other corporate purposes and the timing and amount of debt prepayments or redemptions.

The Credit Agreement, the Secured Notes and the indentures relating to the 11-3/4% Notes and the Holdings Discount Debentures each contain restrictive covenants that, among other things, limit the Company's ability to incur debt, sell assets and engage in certain transactions. Management does not expect these limitations to have a material effect on the Company's business or results of operations. The Company is in compliance with all financial and operating covenants contained in such financing agreements and believes that it will continue to be in compliance during 1994 with all such covenants.

Effect of Interest Rate Fluctuations and Inflation

Because the Company has indebtedness which bears interest at floating rates, the Company's financial results will be sensitive to changes in prevailing interest rates. To mitigate the effect of significant changes in interest rates, the Company may enter into interest rate protection agreements (with counterparties that, in the Company's judgment, have sufficient creditworthiness) with respect to a portion of its floating rate indebtedness. At March 31, 1994, the Company was not a party to any interest rate protection agreement.

Historically, inflation has not had a material effect on the Company, other than to increase its cost of borrowing. In general, the Company has been able to increase the sales prices of its products to reflect any increases in the prices of raw materials.

Impact of New Accounting Standards

Postretirement Benefits. Effective January 1, 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." Under Statement No. 106 the Company is required to accrue the cost of retiree health and other postretirement benefits during the years that covered employees render service. The cumulative effect of this accounting change was to decrease net income by $3.1 million after related income tax benefit. This change in accounting principle, excluding the cumulative effect, decreased pretax income for the year ended December 31, 1993 by $0.5 million. Prior to 1993, the Company recorded these benefits on a pay-as-you-go basis, and the Company has elected not to restate prior years for this change. The new rules are expected to result in an increase in net annual periodic postretirement benefit costs of less than $1.0 million. See Note 14 to consolidated financial statements of the Company included elsewhere in this Prospectus.

Income Taxes. Effective January 1, 1993 the Company adopted SFAS No. 109, "Accounting for Income Taxes." This Statement superseded SFAS No. 96.

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Under SFAS No. 96 the Company has recognized a federal income tax benefit from Holdings' tax losses. Under SFAS No. 109, this benefit will be reflected as a contribution to additional paid-in capital instead of a reduction of income tax expense. Accordingly, in 1993, the Company recorded a cumulative charge to earnings and credit to paid-in-capital of approximately $6.0 million for the difference in methods up to the date of adoption. The Company is not currently paying, and does not expect in the near future to pay, any regular federal income taxes because it has been and will be able to avail itself of Holdings' consolidated tax loss carryforwards, which amount to approximately $105 million at December 31, 1993. See Note 9 to consolidated financial statements of the Company included elsewhere in this Prospectus.

BUSINESS

General

The Company is a major manufacturer and seller of a broad range of steel and aluminum containers for the human food and pet food markets and plastic containers for the personal care, food, pharmaceutical and household markets in the United States. In 1993, the Company had net sales of $645 million.

On December 21, 1993, the Company's wholly owned subsidiary, Containers, acquired from Del Monte substantially all of the fixed assets and certain working capital of DM Can for approximately $73 million. See "--Company History" below. In connection therewith, Containers and Del Monte entered into the DM Supply Agreement pursuant to which Containers supplies substantially all of the metal container requirements of Del Monte for a term of ten years. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 the Company would have had net sales of $818 million. See "--Sales and Marketing" below.

Management believes that the Company is the largest food can producer in the United States (based on pro forma unit sales after giving effect to the acquisition of DM Can) and one of the largest producers in the United States of HDPE containers for the personal care market and a major producer of PET products for the personal care and food markets. The Company has experienced significant growth since its inception in 1987 as a result of its acquisitions and related increased market position.

Management estimates that Containers is currently the nation's largest manufacturer of metal food containers and that in 1993 Containers sold approximately 27% of all metal food containers sold in the United States by non-captive manufacturers (manufacturers of containers not owned by a user of containers) and approximately 16% of all metal food containers sold in the United States, in each case based on unit sales. On a pro forma basis giving effect to the acquisition of DM Can, in 1993 Containers would have sold approximately 34% of all metal food containers sold in the United States by non-captive manufacturers and approximately 22% of all metal food containers sold in the United States. Although the food can industry in the United States is relatively stable and mature in terms of unit sales growth, Containers, on a pro forma basis after giving effect to the acquisition of DM Can, has realized compound annual unit sales growth in excess of 12% since 1987. Types of containers manufactured include those for vegetables, fruit, pet food, tomato based products, evaporated milk and infant formula. Pursuant to the Nestle Supply Agreements, Containers supplies substantially all of the can requirements of the former Carnation operations of Nestle. In addition to the Nestle Supply Agreements and the DM Supply Agreement, Containers has other long-term supply arrangements with other customers. The Company estimates that in excess of 80% of Containers' sales in 1994 will be pursuant to long-term supply arrangements. See "--Sales and Marketing" below.

Management believes that the Company's wholly owned subsidiary, Plastics, is one of the leading manufacturers of plastic containers sold in the United States for the personal care, household and pharmaceutical markets served by the Company. Plastic containers manufactured by Plastics include personal care containers for shampoos, conditioners, hand creams, lotions and cosmetics, household containers for light detergent liquids, scouring cleaners and specialty cleaning agents and pharmaceutical containers for tablets, laxatives and eye cleaning solutions. Plastics is also one of the leading manufacturers of PET containers sold in the United States for applications other than soft drinks. Plastics manufactures custom PET medicinal and health care product containers (such as mouthwash bottles), custom narrow-neck food product containers (such as salad dressing bottles), custom wide-mouth food product containers (such as mayonnaise and peanut butter containers) and custom non-soft drink beverage product containers

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(such as juice, water and liquor bottles). See "--Products."

The Company's strategy is to continue to improve its market position and profitability through focus on product quality, customer service, cost efficiencies, strategic acquisitions and market share growth through customers experiencing market share growth. At Containers, management has focused on achieving operating cost advantages over its competitors, primarily through low labor costs, low overhead, technologically advanced manufacturing processes and by exploiting the favorable geographic locations of its 22 can plants. Since its acquisition in 1987 of Nestle Can, Containers has invested more than $82 million in its existing manufacturing facilities and has spent approximately $66 million for the purchase of additional can manufacturing assets. As a result of these efforts and management's focus on quality and service, Containers has increased its overall share of the food can market by approximately 100% in terms of unit sales, from a share of approximately 11% in 1987 to a share of approximately 22% in 1993, on a pro forma basis giving effect to the acquisition of DM Can.

Plastics has increased its market position primarily by strategic acquisitions. From a sales base of $89 million in 1987, Plastics' sales increased to $186 million in 1993, or 13% on a compound annual basis. While many of Plastics' larger competitors employ technology oriented to large bottles and long production runs, Plastics has focused on mid-sized, extrusion blow-molded plastic containers requiring special decoration and shorter production runs. Plastics emphasizes value-added fabrication of the container, creative design and sophisticated decoration processes. Plastics is also aggressively pursuing new markets for plastic containers, including the PCR resin segment of the market. Based upon published information and management's experience in the industry, management believes that PET custom containers are replacing glass containers for products such as mouthwash, salad dressing, peanut butter and liquor. Management also believes that Plastics is well positioned because of its technologically advanced equipment to respond to opportunities for future growth in the rigid plastic container market. Furthermore, to the extent that mandatory recycling laws, customer preferences or manufacturing costs result in increased demand for HDPE containers that are manufactured using PCR resins, the Company believes that its proprietary equipment is particularly well-suited for the production of such containers because of the relatively low capital costs required to convert its equipment from the use of virgin resins.

The Company is also engaged in the manufacture and sale of paper containers primarily used by processors and packagers in the food industry. Sales of paper containers in 1993 were approximately $13 million.

Products

The Company is engaged in the manufacture and sale of steel and aluminum containers that are used primarily by processors and packagers in the food and pet food industries. Types of containers manufactured include those for vegetables, fruit, pet food, tomato based products, evaporated milk and infant formula. The Company does not produce cans for use in the beer or soft drink industries. Cans are produced in a variety of sizes, ranging in diameter from 2-1/8 inches to 6-3/16 inches and in height from 1-7/16 inches to 7 inches.

The Company is also engaged in the manufacture and sale of plastic containers primarily used in the personal care, food, beverage (other than carbonated soft drinks), household and pharmaceutical container markets. Plastic containers are produced by converting thermoplastic materials into plastic containers ranging in size from 1/2 to 96 ounces. Emphasis is on value-added fabrication of the container and the decoration process. The Company designs and manufactures a wide range of containers for toiletries and cosmetic products such as shampoos, hand creams and lotions. Because toiletries and cosmetic products are characterized by short product life and a demand for creative packaging, the containers manufactured for these products generally have more sophisticated designs and decorations. Food and beverage containers are designed and manufactured (generally to unique specifications for a specific customer) to contain products such as mouthwash, salad dressing, peanut butter, coffee, juice, water and liquor. Household containers are designed and manufactured to contain light-duty dishwasher and heavy-duty laundry detergents, bleach, polishes, specialty cleaning agents, insecticides and liquid household products. Pharmaceutical containers are designed and manufactured (either in a generic or in a custom-made form) to contain tablets, solutions and similar products for the ethical and over-the-counter markets.

Manufacturing and Production

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The Company uses three basic processes to produce cans. The traditional three-piece method requires three pieces of flat metal to form a cylindrical body with a welded side seam, a bottom and a top. The Company uses a welding process for the side seam of three-piece cans to achieve a superior seal. High integrity of the side seam is further assured by the use of sophisticated electronic weld monitors and organic coatings that are thermally cured by induction and convection processes. The other two methods of producing cans start by forming a shallow cup that is then formed into the desired height using either the draw and iron process or the draw and redraw process. Using the draw and redraw process, the Company manufactures steel and aluminum two-piece cans, the height of which does not exceed the diameter. For cans the height of which is greater than the diameter, the Company also manufactures steel two-piece cans by using a drawing and ironing process. Quality and stackability of such cans are comparable to that of the shallow two-piece cans described above. Can bodies and ends are manufactured from thin, high-strength aluminum alloys and steels by utilizing proprietary tool and die designs and selected can making equipment. The Company's manufacturing operations include cutting, coating, lithographing, fabricating, assembling and packaging finished cans.

The Company utilizes two basic processes to produce plastic bottles. In the blow molding process, pellets of plastic resin are heated and extruded into a tube of plastic. A two-piece metal mold is then closed around the plastic tube and high pressure air is blown into it causing a bottle to form in the mold's shape. In the injection blow molding process, pellets of plastic resin are heated and injected into a mold, forming a plastic tube. The plastic tube is then blown into a bottle-shaped metal mold, creating a plastic bottle.

The Company believes that its proprietary equipment for the production of HDPE containers is particularly well-suited for the use of PCR resins because of the relatively low capital costs required to convert its equipment from the use of virgin resins.

The Company's decorating methods for its plastic products include (i) silk screen decoration, which enables the application of one to six images in multiple colors to the bottle, (ii) post-molding decoration, which uses paper labels applied to the bottles with glue and (iii) pressure-sensitive decoration, which applies a paper label to a post-molded bottle by pressing against the bottle. The Company has state-of-the-art decorating equipment, including, management believes, one of the largest sophisticated decorating facilities in the Midwest, which allows the Company to custom-design new products with short lead times.

As is the practice in the industry, most of the Company's can and plastic container customers provide it with annual estimates of products and quantities pursuant to which periodic commitments are given. Such estimates enable the Company to effectively manage production and control working capital requirements. At December 31, 1993, Containers had in excess of 80% of its projected 1994 sales under long-term contracts. Plastics has written purchase orders or contracts for containers with the majority of its customers. In general, these purchase orders and contracts are for containers made from proprietary molds and are for a duration of 2 to 5 years. Both Containers and Plastics schedule their production to meet their customers' requirements. Because the production time for the Company's products is short, the backlog of customer orders in relation to sales is not significant.

Raw Materials

The Company uses tin plated and chromium plated steel, aluminum, copper wire, organic coatings, lining compound and inks in the manufacture and decoration of its metal can products. The Company's steel and other material requirements are supplied through purchase orders with suppliers with whom the Company, through its predecessors, has long-term relationships or through open market purchases. The Company has a contract to obtain the majority of its requirements for aluminum from a supplier at prices that are subject to adjustment based on formulas and market conditions. Such contract expires in 1996. The Company believes that it would be able to satisfy its requirements for aluminum from other suppliers in the event of the loss of its current supplier. The Company believes that it will be able to purchase sufficient quantities of steel and aluminum can sheet for the foreseeable future.

The raw materials used by the Company for the manufacture of plastic containers are primarily resins in pellet form such as PCR and virgin HDPE and PET and, to a lesser extent, low density polyethylene, extrudable polyester terephthalate, polyethylene terephthalate glycol, polypropylene,

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polyvinyl chloride and medium density polyethylene. The Company's resin requirements are acquired through a series of informal annual purchase orders for specific quantities of resins with several suppliers of resins. The price the Company pays to purchase resin is determined at the time of purchase. The Company believes that it will be able to purchase sufficient quantities of resin for the foreseeable future.

The Company does not believe that it is materially dependent upon any single supplier for any of its raw materials and, based upon the existing arrangements with suppliers discussed above, its current and anticipated requirements and market conditions, the Company believes that it has made adequate provisions for acquiring raw materials. Although increases in the prices of raw materials have generally been passed along to the Company's customers, the inability to do so in the future could have a significant impact on the Company's operating margins. In addition, should any of its suppliers fail to deliver under their arrangements, the Company would be forced to purchase raw materials on the open market, and no assurances can be given that it would be able to make such purchases at prices which would allow it to remain competitive.

Sales and Marketing

The Company markets its products in most areas of the continental United States primarily by a direct sales force through regional sales offices. Because of the high cost of transporting empty containers, the Company generally sells to customers within a 300 mile radius of its manufacturing plants. See also "--Competition" below.

In 1987, the Company, through Containers, and Nestle entered into the Nestle Supply Agreements pursuant to which Containers has agreed to supply Nestle with, and Nestle has agreed to purchase from Containers, substantially all of the can requirements of the former Carnation operations of Nestle for a period of ten years, subject to certain conditions. In 1994, the term of three of the Nestl Supply Agreements (representing approximately 65% of the Company's 1993 unit sales to Nestl) was extended through 2001.

The Nestle Supply Agreements provide for certain prices and specify that such prices will be increased or decreased based upon cost change formulas set forth therein. During the duration of six of the original Nestle Supply Agreements, if Nestle receives a competitive bid for any product supplied, Containers has the right to match such bid with respect to the type and volume of cans over the period of the competitive bid. Under the other three Nestl Supply Agreements which were recently extended through 2001, Nestl 's right to receive competitive bids is narrowly limited to certain circumstances, and Containers has the right to match any such bids. In either case the event that Containers chooses not to match any such competitive bid, Nestle may purchase such cans from the competitive bidder at the competitive bid price for the term of the bid. The Nestle Supply Agreements contain provisions that require Containers to maintain certain levels of product quality, service and delivery in order to retain the Nestle business. In the event of a breach of a particular Nestle Supply Agreement, Nestle may terminate such Nestle Supply Agreement but the other Nestle Supply Agreements would remain in effect.

Since 1990, Nestle has requested that Containers match certain bids received from other potential suppliers. Containers agreed to match such bids (which resulted in minor margin impact) and continues to supply substantially all of the can requirements of the former Carnation operations of Nestle. In the future, there can be no assurance that Containers will choose to match any such bids or that, even if matched, such bids will be at a level sufficient to allow Containers to maintain margins currently received. Until any such bids are received by Nestle and submitted to the Company, the Company cannot predict the effect, if any, of such bids upon its financial condition or results of operations. Significant reductions of margins or the loss of significant unit volume under the Nestle Supply Agreements could, however, have a material adverse effect on the Company.

On December 21, 1993, Containers and Del Monte entered into the DM Supply Agreement. Under the DM Supply Agreement, Del Monte has agreed to purchase from Containers, and Containers has agreed to sell to Del Monte, 100% of Del Monte's annual requirements for metal containers to be used for the packaging of food and beverages in the United States and not less than 65% of Del Monte's annual requirements of metal containers for the packaging of food and beverages at Del Monte's Irapuato, Mexico facility, subject to certain limited exceptions.

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The DM Supply Agreement provides for certain prices for all metal containers supplied by Containers to Del Monte thereunder and specifies that such prices will be increased or decreased based upon specified cost change formulas.

Under the DM Supply Agreement, after five years, Del Monte may, under certain circumstances, receive proposals with terms more favorable than those under the DM Supply Agreement from independent commercial can manufacturers for the supply of containers of a type and quality similar to the metal containers that Containers furnishes to Del Monte, which proposals shall be for the remainder of the term of the DM Supply Agreement and for 100% of the annual volume of containers at one or more of Del Monte's canneries. Containers has the right to retain the business subject to the terms and conditions of such competitive proposal.

The sale of metal containers to vegetable pack customers is seasonal and monthly revenues increase during the months of June through October. As is common in the packaging industry, the Company must build inventory and then carry accounts receivable for some seasonal vegetable pack customers beyond the end of the harvest season. Consistent with industry practice, such customers may return unused containers. Historically, such returns have been minimal.

As part of its marketing strategy, the Company has arrangements to sell some of its plastic products to distributors, which in turn sell such products primarily to small-size regional customers. Plastic containers sold to distributors are manufactured by using generic molds with decoration, color and neck finishes added to meet the distributors' individual requirements. The distributors' warehouses and their sales personnel enable the Company to market and inventory a wide range of such products to a variety of customers.

In 1993, 1992 and 1991, metal containers accounted for approximately 69%, 68% and 64%, respectively, of the Company's total sales, and plastic containers accounted for approximately 29%, 30% and 34%, respectively, of the Company's total sales. On a pro forma basis after giving effect to the acquisition of DM Can, metal and plastic containers in 1993 would have accounted for approximately 76% and 23% of the Company's total sales, respectively. The Company's total sales of paperboard cartons accounted for approximately 2% of the Company's total sales in each of 1993, 1992 and 1991. In 1993, 1992 and 1991, approximately 34%, 37% and 32%, respectively, of the Company's sales were to Nestle. On a pro forma basis after giving effect to the acquisition of DM Can, approximately 27% of the Company's 1993 sales would have been to Nestle and 21% of the Company's 1993 sales would have been to Del Monte. No other customer accounted for more than 10% of the Company's total sales during such years.

Competition

The packaging industry is highly competitive. The Company competes in this industry with other packaging manufacturers as well as fillers, food processors and packers who manufacture containers for their own use and for sale to others. The Company attempts to compete effectively through the quality of its products, pricing and its ability to meet customer requirements for delivery, performance and technical assistance. The Company also pursues market niches such as the manufacture of easy-open ends and special feature cans, which may differentiate the Company's products from its competitors' products.

Management believes that the market for metal food containers is mature. Some self-manufacturers have sold or closed can manufacturing operations and entered into long-term supply agreements with the new owners or with commercial can manufacturers. Of the commercial metal can manufacturers, Crown Cork and Seal Company, Inc., American National Can Company and Ball Corporation (through its Heekin Can operations) are the Company's most significant competitors.

Although metal containers face continued competition from plastic, paper and composite containers, management believes that metal containers are superior to plastic and paper containers in industry sectors where the contents are processed at high temperatures, where the contents are packaged in large or institutional quantities (14 to 64 oz.) or where long-term storage of the product is desirable. Such sectors include canned vegetables, fruits, meats, juices, non-carbonated beverages and pet foods. These sectors are the principal areas for which the Company manufactures its products.

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Plastics competes with a number of large national producers of food, beverage and household plastic container products, including Owens-Brockway Plastics Products, a division of Owens-Illinois, Inc., Plastic Containers Inc., Johnson Controls Inc., Constar Plastics Inc., a subsidiary of Crown Cork and Seal Company, Inc., Graham Packaging Co. and Plastipak Packaging Inc. In order to compete effectively in the constantly changing market for plastic bottles, the Company must remain current with, and to some extent anticipate innovations in, resin composition and applications and changes in the manufacturing of plastic bottles.

Because of the high cost of transporting empty containers, the Company generally sells to customers within a 300 mile radius of its manufacturing plants. Strategically located existing plants give the Company an advantage over competitors from other areas, and the Company would be disadvantaged by the loss or relocation of a major customer. As of March 31, 1994, the Company operated 35 manufacturing facilities, geographically dispersed throughout the United States and Canada, that serve the distribution needs of its customers.

Employees

As of December 31, 1993, the Company employed approximately 630 salaried and 3,350 hourly employees on a full time basis, including 650 employees who joined the Company on December 21, 1993 as a result of the acquisition of DM Can. Approximately 60% of the Company's hourly plant employees are represented by one of the following unions: (i) Sheet Metal Workers International Association, (ii) International Association of Machinists and Aerospace Workers, (iii) The International Brotherhood of Teamsters, (iv) The United Steel Workers of America, (v) Industrial, Technical & Professional Employees Union, (vi) The Glass, Molders, Pottery, Plastics and Allied Workers International Union, (vii) The United Rubber, Cork and Plastic Workers of America and (viii) Oil, Chemical & Atomic Workers International Union.

The Company's labor contracts expire at various times between 1994 and 1998. Contracts covering approximately 14% of the Company's hourly employees presently expire during 1994. The Company expects no significant changes in its relations with these unions. Management believes that its relationship with its employees is good.

Regulation

The Company is subject to federal, state and local environmental laws and regulations. In general, these laws and regulations limit the discharge of pollutants into the air and water and establish standards for the treatment, storage, and disposal of solid and hazardous waste. The Company believes that all of its facilities are either in compliance in all material respects with all presently applicable environmental laws and regulations or are operating in accordance with appropriate variances, delayed compliance orders or similar arrangements. In the past, the Company inadvertently made late filings with the federal Environmental Protection Agency under the Emergency Planning and Community Right to Know Act ("EPCRA"). The Company is currently in compliance in all material respects with EPCRA.

In addition to costs associated with regulatory compliance, the Company may be held liable for alleged environmental damage associated with the past disposal of hazardous substances. Generators of hazardous substances disposed of at sites at which environmental problems are alleged to exist, as well as the owners of those sites and certain other classes of persons, are subject to claims under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") regardless of fault or the legality of the original disposal. Liability under CERCLA and under many similar state statutes is joint and several, and, therefore, any responsible party may be held liable for the entire cleanup cost at a particular site. Other state statutes may impose proportionate rather than joint and several liability. The federal Environmental Protection Agency or a state agency may also issue orders requiring responsible parties to undertake removal or remedial actions at certain sites. Pursuant to the agreement relating to the acquisition in 1987 of Nestle Can, the Company has assumed liability for the past waste disposal practices of Nestle Can. The Company has received notice that it is one of many potentially responsible parties (or similarly designated parties) for cleanup of hazardous waste at two sites to which it (or its predecessor Nestle Can) is alleged to have shipped such waste, one site at which the Company's share of cleanup costs could exceed $100,000. See "--Legal Proceedings" below.

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Pursuant to the agreement relating to the acquisition in 1987 from Monsanto Company ("Monsanto") of substantially all of the business and related fixed assets and inventory of Monsanto's plastic containers business ("Monsanto Plastic Containers"), Monsanto has agreed to indemnify the Company for substantially all of the costs attributable to the past waste disposal practices of Monsanto Plastic Containers. In connection with the acquisition of DM Can, Del Monte has agreed to indemnify the Company for a period of three years for substantially all of the costs attributable to any noncompliance by DM Can with any environmental law prior to the closing, including all of the costs attributable to the past waste disposal practices of DM Can.

The Company is subject to the Occupational Safety and Health Act and other laws regulating noise exposure levels in the production areas of its plants.

Management does not believe that any of the matters described above individually or in the aggregate will have a material effect on the Company's capital expenditures, earnings, financial position or competitive position.

Research and Technology

The Company's research, product development and product engineering efforts relating to its metal containers are conducted at its research center at Oconomowoc, Wisconsin and at other plant locations.

The Company's research, product development and product engineering efforts with respect to its plastic containers are currently performed by its manufacturing and engineering personnel located at its Norcross, Georgia facility. In addition to its own research and development staff, the Company participates in arrangements with four non-U.S. plastic container manufacturers that call for an exchange of technology among these manufacturers. Pursuant to these arrangements, the Company licenses its blow molding technology to such manufacturers.

Company History

The Company was organized in August 1987 as a holding company to acquire interests in various packaging manufacturers. On August 31, 1987, the Company, through Containers, purchased from Nestle the business and related assets and working capital of Nestle Can for approximately $151 million in cash and the assumption of substantially all of the liabilities of Nestle Can. Also on August 31, 1987, the Company, through Plastics, purchased from Monsanto substantially all the business and related fixed assets and inventory of Monsanto Plastic Containers for approximately $43 million in cash and the assumption of certain liabilities of Monsanto Plastic Containers. To finance these acquisitions and to pay related fees and expenses, the Company raised approximately $222.5 million on August 31, 1987 by issuing $6 million of common stock, $15 million of Preferred Stock and $85 million of 14% Notes and by borrowing $116.5 million under its credit agreement.

During 1988, Containers acquired from The Dial Corporation its metal container manufacturing division known as the Fort Madison Can Company ("Fort Madison"), and from Nestle its carton manufacturing division known as the Seaboard Carton Division ("Seaboard").

During 1989, Plastics acquired Aim Packaging, Inc. ("Aim") and Fortune Plastics, Inc. ("Fortune") in the United States, and Express Plastic Containers Limited ("Express") in Canada, to improve its competitive position in the HDPE container market. Such acquisitions were financed through additional borrowings under the Company's credit agreement.

Holdings was organized in April 1989 as a holding company to acquire all of the outstanding common stock of the Company. On June 30, 1989, Silgan Acquisition, Inc. ("Acquisition"), a wholly owned subsidiary of Holdings, merged with and into the Company, and the Company became a wholly owned subsidiary of Holdings (the "1989 Mergers"). In connection with the 1989 Mergers, Holdings received $109.4 million in proceeds from the issuance of $120 million aggregate principal amount of the Holdings Reset Debentures, net of debt issuance costs of $10.1 million. Additionally, Holdings received $14.6 million in proceeds from the issuance of the Holdings Class B Stock. With such proceeds, payments of $69.9 million were made to Silgan's stockholders and stock option holders in connection with the 1989 Mergers and $25.2 million was advanced to Silgan and used by Silgan to repay working capital loans. The balance of such proceeds, along with additional term loan

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borrowings under the Company's credit agreement of $24.0 million and a capital contribution of $5.0 million by the stockholders of SPHI, was used by Holdings in connection with the purchase of Silgan PET on August 1, 1989 for $51.4 million, including $2.2 million of acquisition costs.

In 1989, Silgan PET, a wholly owned subsidiary of SPHI, acquired the business and related assets of Amoco Container. On July 13, 1990, Holdings and the Company entered into the SPHI Business Combination pursuant to which SPHI became a majority owned subsidiary of the Company. The SPHI Business Combination was accounted for in a manner similar to a pooling of interests. See "Selected Financial Data."

In November 1991, Plastics sold its nonstrategic PET carbonated beverage bottle business, exiting that commodity business.

In 1992, Silgan and Holdings completed the Refinancing pursuant to a plan to improve their financial flexibility. The Refinancing included the following: (i) the public offering in June 1992 by Silgan of $135 million principal amount of the 11-3/4% Notes; (ii) the private placement in June 1992 by Silgan of $50 million principal amount of the Secured Notes with certain institutional investors; (iii) the public offering in June 1992 by Holdings of the Holdings Discount Debentures for an aggregate amount of proceeds of $165.4 million; (iv) the amendment of the Amended and Restated Credit Agreement, dated as of August 31, 1987, as amended (the "Amended and Restated Credit Agreement") among Silgan and certain of its subsidiaries, the lenders named therein and Bankers Trust, as Agent, followed by the prepayment in June 1992 by Silgan of $30 million of term loans and the borrowing by Silgan of approximately $17 million of working capital loans under the Amended and Restated Credit Agreement; (v) the 14% Notes Redemption; (vi) the Preferred Stock Redemption; (vii) the repayment by Silgan of a $25.2 million advance from Holdings and the payment to Holdings of a $15.7 million dividend; (viii) the payment by Holdings in cash of $15.3 million of interest payable on July 1, 1992 on the Holdings Reset Debentures; (ix) the Holdings Reset Debentures Redemption; and (x) the payment of transaction fees and expenses relating to the Refinancing. Additionally, in June 1992 the Company merged Aim, Fortune, Silgan PET and SPHI into Plastics.

On December 21, 1993, Containers acquired from Del Monte substantially all of the fixed assets and certain working capital of Del Monte's container manufacturing business in the United States for a purchase price of approximately $73 million and the assumption of certain limited liabilities. To finance the acquisition, (i) Silgan, Containers and Plastics (collectively, the "Borrowers"), entered into the Credit Agreement with the Banks, Bank of America, as Co-Agent, and Bankers Trust, as Agent, and (ii) Holdings issued and sold to Mellon Bank, N.A., as trustee for First Plaza Group Trust, a group trust established under the laws of the State of New York ("First Plaza"), 250,000 shares of its Class B Common Stock, par value $.01 per share (the "Holdings Stock"), for a purchase price of $60.00 per share and an aggregate purchase price of $15 million. Additionally, Silgan, Containers and Plastics borrowed term and working capital loans under the Credit Agreement to refinance and repay in full all amounts owing under the Amended and Restated Credit Agreement.

Properties

Silgan's and Holdings' principal executive offices are located at 4 Landmark Square, Stamford, Connecticut 06901. The administrative headquarters and principal places of business for Containers and Plastics are located at 21800 Oxnard Street, Woodland Hills, California 91367 and 14515 N. Outer Forty, Suite 210, Chesterfield, Missouri 63017, respectively. All of these offices are leased by the Company.

The Company owns and leases properties for use in the ordinary course of business. Such properties consist primarily of 22 metal container manufacturing facilities, 12 plastic container manufacturing facilities and one paper container manufacturing facility. Eighteen of these facilities are owned and 17 are leased by the Company. The leases expire at various times through 2020. Some of these leases provide for options to purchase or to renew the lease.

Below is a list of the Company's operating facilities, including attached warehouses, as of June 30, 1994:

Approximate

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Location	Building Area (square feet)
Anaheim, CA	127,000 (leased)
Kingsburgh, CA	37,783 (leased)
Modesto, CA	35,585 (leased)
Oakland, CA	173,780 (leased)
Riverbank, CA	167,000
Stockton, CA	243,500
Stockton, CA	71,785 (leased)
Deep River, CT	140,000
Monroe, GA	117,000
Norcross, GA	59,000 (leased)
Broadview, IL	85,000
Rochelle, IL	175,000
Ft. Dodge, IA	49,500 (leased)
Fort Madison, IA	66,000
Ligonier, IN	284,000 (leased)
Seymour, IN	406,000
Franklin, KY	118,000 (leased)
Louisville, KY	30,000 (leased)
Maysville, KY	31,300
Mt. Vernon, MO	100,000
St. Joseph, MO	173,725
Port Clinton, OH	336,000 (leased)
Hillsboro, OR	47,000
Cambridge Springs, PA	55,000
Langhorne, PA	156,000 (leased)
Crystal City, TX	26,045 (leased)
Smithfield, UT	105,000
Toppenish, WA	98,000
Menomonee Falls, WI	116,000
Menomonie, WI	60,000 (leased)
Oconomowoc, WI	105,200
Plover, WI	44,495 (leased)
Waupun, WI	212,000
Mississauga, Ontario	80,000 (leased)
Mississauga, Ontario	60,000 (leased)

The Company owns and leases certain other warehouse facilities that are detached from its manufacturing facilities. In addition, the Company owns four other properties, two of which the Company subleases to a third party and intends to sell and the other two of which the Company is not currently using and intends to sell or sublease.

The Company believes that its plants, warehouses and other facilities are in good operating condition, adequately maintained, and suitable to meet its present needs and future plans. The Company believes that it has sufficient capacity to satisfy the demand for its products in the foreseeable future. To the extent that the Company needs additional capacity, management believes that the Company can convert certain facilities to continuous operation or make the appropriate capital expenditures to increase capacity.

Legal Proceedings

Fidelity and EQJ Complaints. On June 28, 1989, a complaint was filed in the Court of Chancery in the State of Delaware in and for New Castle County jointly by Fidelity Bankers Life Insurance Company ("Fidelity"), which was the beneficial holder of 150,000 shares of Class B common stock of the Company, and Ince & Co. ("Ince," together with Fidelity, sometimes hereinafter referred to as the "Fidelity Plaintiffs"), which was the registered owner of Fidelity's shares, against the Company, Holdings, Morgan Stanley, certain officers, directors and majority stockholders of the Company and certain other parties (the "Fidelity Complaint"). In addition, on September 14, 1989, a second complaint was filed in the Court of Chancery in the State of Delaware in and for New Castle County jointly by EQJ Partnership, Equitable Life Assurance Society of the United States, Integrity Life Insurance Company, Kleinwort Benson Limited, Merrill Lynch Corporate Bond Fund, Inc., New Locke Fund, SAM Associates, L.P., the beneficial holder of shares of Class B common stock of the Company held in the name of Calmont & Co., as nominee, and SIB Nominees Ltd. (the "EQJ Plaintiffs"), which plaintiffs were the beneficial holders of an aggregate of 900,000 shares of Class B common stock of the Company, against the Company, Holdings, Acquisition and directors of the Company (the "EQJ Complaint," together with the Fidelity Complaint, sometimes hereinafter referred to as the "Complaints"). Although filed separately, the Complaints are similar and allege, among other things, that the defendants breached their fiduciary duties of loyalty and candor under Delaware law to minority stockholders of the Company by engaging in unfair dealings, attempting to effect a merger at a grossly inadequate price and distributing misleading proxy materials. See "Business -- Company History." The Complaints also allege that various

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defendants aided and abetted these purported breaches of fiduciary duties. The Complaints ask the court, among other things, to rescind the 1989 Mergers and/or to grant to the plaintiffs such damages, including rescissory damages, as are found by the court to be proven at trial.

In the fall of 1989, all defendants moved to dismiss the Complaints for failure to state a claim upon which relief can be granted. The court ruled on the motion in the Fidelity Complaint on February 7, 1991, dismissing seven of the ten claims asserted and allowing the Fidelity Plaintiffs leave to plead one additional claim. On February 27, 1991, the Fidelity Plaintiffs filed an amended complaint. On May 24, 1991, the defendants answered the amended complaint, denying the material allegations and asserting affirmative defenses. On January 29, 1992, the Company and the EQJ Plaintiffs filed a stipulation dismissing the EQJ Complaint with respect to all defendants without prejudice to the right of the EQJ Plaintiffs to reinstate the action at the conclusion of the appraisal proceeding instituted by the EQJ Plaintiffs and described below.

On September 14, 1989, the EQJ Plaintiffs filed a Petition for Appraisal (the "EQJ Appraisal") against the Company in the Court of Chancery in the State of Delaware in and for New Castle County. On October 13, 1989, the Fidelity Plaintiffs filed a Petition for Appraisal (the "Fidelity Appraisal," together with the EQJ Appraisal, sometimes hereinafter referred to as the "Appraisals") against the Company in the Court of Chancery in the State of Delaware in and for New Castle County. Although filed separately, the Appraisals both purport to invoke the rights of the EQJ Plaintiffs and the Fidelity Plaintiffs to seek an appraisal of their shares of Class B common stock of the Company pursuant to Section 262 of the Delaware General Corporation Law as a consequence of the 1989 Mergers.

The Fidelity Appraisal purports to seek, among other relief, a judgment awarding the Fidelity Plaintiffs the fair value of their shares of Class B common stock of the Company in an unspecified amount. On May 13, 1991, Fidelity was seized and placed into receivership by the Virginia State Corporation Commission. As a result, the Fidelity Complaint and Fidelity Appraisal were stayed until March 30, 1992. Both the Fidelity Complaint and Fidelity Appraisal were dismissed in February 1994 following settlement with the Fidelity Plaintiffs.

The EQJ Appraisal alleges that the EQJ Plaintiffs' shares are worth more than three times the price offered in connection with the 1989 Mergers and seeks, among other relief, a judgment awarding the EQJ Plaintiffs the fair value of their shares of Class B common stock of the Company in an amount of no less than $24 per share. Discovery in the EQJ Appraisal has concluded. At the EQJ Plaintiffs' request the court has agreed to postpone the start of trial until the week of October 24, 1994. In addition, the Company has settled with several of the EQJ Plaintiffs with respect to the EQJ Appraisal.

Management believes that there is no factual basis for the allegations and claims contained in the Complaints. Management also believes that the lawsuits are without merit and intends to defend the lawsuit vigorously. In addition, management believes that the ultimate resolution of these matters and the appraisal proceedings will not have a material effect on the financial condition or results of operations of the Company or Holdings.

Katell/Desert Complaint. On November 6, 1991, Gerald L. Katell ("Katell") and Desert Equities, Inc. ("Desert"), who are limited partners of The Morgan Stanley Leveraged Equity Fund, L.P. ("MSLEF"), filed a consolidated complaint in the Court of Chancery of the State of Delaware in and for New Castle County (the "Katell/Desert Complaint") against a number of defendants, including the Company and Holdings. (The plaintiffs previously had filed similar complaints in the New York Supreme Court, but the complaints were dismissed on the grounds that, in the interests of substantial justice, the actions should be heard in the courts of Delaware.) The plaintiffs allege, among other things, that The Morgan Stanley Leveraged Capital Fund, Inc. and Cigna Leveraged Capital Fund, Inc., the general partners of MSLEF, breached duties owed to the limited partners. Holdings and the Company are named as defendants in Count III of such amended complaint, which charges them with aiding and abetting breaches of fiduciary duty by MSLEF and the general partners. These aiding and abetting claims are premised on the same allegations concerning the 1989 Mergers that form the basis of the Complaints. The plaintiffs claim damages in the amount of $4.67 million.

On December 9, 1991, all defendants moved to dismiss the Katell/Desert

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Complaint on the grounds that (i) plaintiffs' claims are derivative in nature and cannot be maintained as individual actions, (ii) plaintiffs' claims as to shares of stock and other rights allegedly held by them directly fail to state a claim and, in some cases, are time barred and (iii) with respect to the aiding and abetting claims asserted against the Company and Holdings, the Katell/Desert Complaint fails to allege sufficient knowing participation to constitute a cause of action for aiding and abetting breaches of fiduciary duties. On February 17, 1992, the plaintiffs filed an amended complaint asserting derivative claims on behalf of the partnership alternatively to Counts I through IV of the Katell/Desert Complaint. The amended complaint also deletes specific allegations as to the amount of damages, seeking a determination of such damages by the court. All defendants moved to dismiss the amended complaint on February 27, 1992. After full briefing and oral argument, the court dismissed all claims against the Company and Holdings by memorandum opinion and order dated January 14, 1993. On January 25, 1993, the plaintiffs moved for reargument, seeking that the court amend its order to provide that the dismissal of the claims against certain defendants, including the Company and Holdings, be without prejudice to reinstatement. The court denied this motion by order dated March 29, 1993.

Management believes that there is no factual basis for the allegations and claims contained in the Katell/Desert Complaint. Management also believes that the lawsuit is without merit and intends to defend the lawsuit vigorously. In addition, management believes that the ultimate resolution of these matters and the appraisal proceedings will not have a material effect on the financial condition or results of operations of the Company or Holdings.

Summer del Caribe. On October 17, 1989, the State of California, on behalf of the California Department of Toxic Substances, filed a suit in the United States District Court for the Northern District of California against the owners and operators of a recycling facility operated by Summer del Caribe, Inc., Dale Summer and Lynn Rodich. The complaint also named 16 defendant can manufacturing companies, including Silgan, that had sent small amounts of solder dross to the facility for recycling as "Responsible Parties" under the California Superfund statute. The court has stayed the action. The Company is one of 16 can companies participating in a steering committee. The steering committee has actively undertaken a feasibility study which was approved by the Californiz Department of Toxic Substances in June 1994. The Company has agreed with the other can company defendants that Silgan's apportioned share of cleanup costs would be 6.72% of the total cost of cleanup. Although the total cost of cleanup has not yet been determined, the Company understands that the State of California's current worst case estimate of total cleanup costs for all parties is $5.5 million. The steering committee believes that the cost to remediate will be less than one-half the government's estimate. Accordingly, the Company believes its maximum exposure is not greater than 6.72% of $3 million, or approximately $202,000.

Other. Other than the actions mentioned above, there are no other pending legal proceedings, other than ordinary routine litigation incidental to the business of the Company, to which the Company is a party or to which any of its properties are subject.

MANAGEMENT

Directors and Executive Officers of the Company and Holdings.

The current directors and executive officers of the Company and Holdings and their respective ages, positions and principal occupations, five-year employment history and other directorships held are furnished below:

Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
R. Philip Silver Chairman of the Board and Co-Chief Executive Officer of Holdings and Silgan since March 1994; formerly President of Holdings and Silgan; Director of Holdings since April 1989	51	Prior to forming S&H in 1987, President of Continental Can Company from June 1983 to August 1986; consultant to packaging industry from August 1986 to August 1987; Vice Chairman of the Board and Director of Sweetheart Holdings Inc. and Sweetheart Cup Company, Inc. from September 1989

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Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
and of Silgan since August 1987; Chairman of the Board of Plastics since March 1994; Director of Containers and Plastics since August 1987.		to January 1991; Chairman of the Board and Director of Sweetheart Holdings Inc. and Sweetheart Cup Company, Inc. from January 1991 through August 1993; Director, Johnstown America Corporation.

Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
D. Greg Horrigan President and Co-Chief Executive Officer of Holdings and Silgan since March 1994; formerly Chairman of the Board of Holdings and Silgan; Director of Holdings since April 1989 and of Silgan since August 1987; Chairman of the Board of Containers since August 1987; Chairman of the Board of Plastics from May 1991 to March 1994; Director of Containers and Plastics since August 1987.	50	Prior to forming S&H in 1987, Executive Vice President and Operating Officer of Continental Can Company from 1984 to 1987; Chairman of the Board and Director of Sweetheart Holdings Inc. and Sweetheart Cup Company, Inc. from September 1989 to January 1991; Vice Chairman of the Board and Director of Sweetheart Holdings Inc. and Sweetheart Cup Company, Inc. from January 1991 through August 1993.
James S. Hoch Director of Silgan since January 1991; Vice President and Assistant Secretary of Silgan since 1987; Director, Vice President and Assistant Secretary of Holdings since January 1991; Director, Vice President and Assistant Secretary of Containers since January 1991; Director, Vice President and Assistant Secretary of Plastics since January 1991.	34	Principal of Morgan Stanley & Co. Incorporated since 1993, Vice President of Morgan Stanley & Co. Incorporated from 1991 to 1993, Associate of Morgan Stanley & Co. Incorporated from 1986 to 1990. Director of Fort Howard Corporation, Sullivan Communications, Inc., Sullivan Graphics, Inc.

Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
Robert H. Niehaus Vice President, Assistant Secretary and Director of Silgan since August 1987; Vice President, Assistant Secretary and Director of Containers and Plastics since August 1987; Vice President, Assistant Secretary and Director of Holdings since April 1989.	38	Managing Director of Morgan Stanley & Co. Incorporated since January 1, 1990; Principal of Morgan Stanley & Co. Incorporated from 1988 to 1989; Vice President of Morgan Stanley & Co. Incorporated in 1987. Director of American Italian Pasta Company, Randall's Food Markets, Inc., Randall's Management Corp., Inc., Randall's Properties, Inc., Randall's Warehouse, Inc., Fort Howard Corporation, Waterford Wedgwood plc, Waterford Crystal Ltd., Waterford Wedgwood UK plc, MS Distribution Inc., Tennessee Valley Steel Corporation, NCC L.P., Shuttleway and MS/WW Holdings Inc.
Harley Rankin, Jr. Executive Vice President and Chief Financial Officer of Silgan since January 1989; Treasurer of Silgan since January 1992; Vice	54	Prior to joining the Company, Senior Vice President and Chief Financial Officer of Armtek Corporation; prior to Armtek Corporation, Vice President and Chief Financial Officer of

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President of Containers and Plastics since January 1989; Treasurer of Plastics since January 1994; Executive Vice President and Chief Financial Officer of Holdings since April 1989; Treasurer of Holdings since January 1992.		Continental Can Company from November 1984 to August 1986. Vice President, Chief Financial Officer and Treasurer of Sweetheart Holdings Inc. and Vice President of Sweetheart Cup Company, Inc. from September 1989 to August 1993.
Harold J. Rodriguez, Jr. Vice President of Silgan and Holdings since March 1994; Vice President of Containers and Plastics since March 1994; Controller and Assistant Treasurer of Silgan and Holdings since March 1990; Assistant Controller and Assistant Treasurer of Holdings from April 1989 to March 1990; Assistant Controller and Assistant Treasurer of Silgan from October 1987 to March 1990.	38	Employed by Ernst & Young from 1978 to 1987, last serving as Senior Manager specializing in taxation. Controller, Assistant Secretary and Assistant Treasurer of Sweetheart Holdings Inc. and Assistant Secretary and Assistant Treasurer of Sweetheart Cup Company, Inc. from September 1989 to August 1993.

Management of Containers

In addition to the persons listed under "--Directors and Executive Officers of the Company and Holdings" above, the following are the principal executive officers of Containers:

Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
James D. Beam President and a non-voting Director of Containers since July 1990.	51	Vice President-Marketing & Sales of Containers from September 1987 to July 1990; Vice President and General Manager of Continental Can Company, Western Food Can Division, from March 1986 to September 1987.
Gerald T. Wojdon Vice President -Operations and Assistant Secretary of Containers since September 1987.	58	General Manager of Manufacturing of the Can Division of The Carnation Company from August 1982 to August 1987.
Gary M. Hughes Vice President - Sales & Marketing of Containers since July 1990.	52	Vice President, Sales and Marketing of the Beverage Division of Continental Can Company from February 1988 to July 1990; prior to February 1988, was employed by Continental Can in various regional sales positions.
George S. Hartley Vice President - Finance, Treasurer and Assistant Secretary since March 1994.	47	Vice President - Finance of Romanoff International, Inc. from 1990 to 1993; Director, Business Planning of Amphenol Corporation (Electronic Connectors) from 1988 to 1989; Continental Can Corporation,

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1974-1988, employed in various finance and planning positions.

Name and Position	Age at June 1, 1994	Five-Year Employment History and Other Directorships Held
Dennis Nerstad Vice President since March 1994.	56	Vice President - Distribution and Container Manufacturing of Del Monte from August 1989 to December 1993; Director of Container Manufacturing of Del Monte from November 1983 to July 1989; prior to 1983, employed by Del Monte in various regional and plant positions.

Management of Plastics

In addition to the persons listed under "--Directors and Executive Officers of the Company and Holdings" above, the following are the principal executive officers of Plastics:

Name and Position	Age at June 1, 1994	Five-Year Employment History and Positions
Russell F. Gervais President and non-voting Director of Plastics since December 1992; Vice President-Sales & Marketing of Plastics from September 1989 until December 1992.	50	President and Chief Executive Officer of Aim Packaging, Inc. from March 1984 to September 1989.
Howard H. Cole Vice President and Assistant Secretary of Plastics since September 1987.	48	Manager of Personnel of Monsanto Engineered Products Division of the Monsanto Company from April 1986 to September 1987.
Charles Minarik Vice President-Operations and Commercial Development since May 1993.	56	President of Wheaton Industries Plastics Group from February 1991 to August 1992; Vice President-Marketing of Constar International, Inc. from March 1983 to February 1991.

Executive Compensation

The following table sets forth information concerning the annual and long term compensation for services rendered in all capacities to the Company and its subsidiaries during the fiscal years ended December 31, 1993, 1992 and 1991 of those persons who at December 31, 1993 were (i) the Chief Executive Officer of the Company and (ii) the other four most highly compensated executive officers of the Company and its subsidiaries. No director of the Company or its subsidiaries receives any compensation for serving as a director of the Company or its subsidiaries. See "Certain Transactions--Management Agreements."

<TABLE>
<CAPTION>

Summary Compensation Table

Annual Compensation	Long-Term Compensation

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Name and Principal Position	Year	Salary<fa><fb>	Bonus<fa><fc>	Other Annual Compensation	Awards: Stock Options/SARs	All Other Compensation<fd>
<S>	<C>	<C>	<C>	<C>	<C>	<C>
R. Philip Silver	1993	$1,378,799	-	-	-	-
(Chairman of the Board and	1992	1,528,844	-	-	-	-
Co-Chief Executive Officer of	1991	1,378,000	-	-	-	-
the Company and Chairman of						
the Board of Plastics)						
D. Greg Horrigan	1993	1,378,799	-	-	-	-
(President and Co-Chief	1992	1,528,844	-	-	-	-
Executive Officer of the	1991	1,378,000	-	-	-	-
Company and Chairman of the						
Board of Containers)						
Harley Rankin, Jr.	1993	321,898	-	-	-	-
(Executive Vice President,	1992	324,407	-	-	-	-
Chief Financial Officer and	1991	303,200	-	-	-	-
Treasurer of the						
Company and Vice President of						
Containers and Plastics)						
James D. Beam	1993	239,949	$65,277	-	-	$24,883
(President of Containers)	1992	231,949	65,497	-	-	24,215
	1991	221,894	38,854	-	-	-
Gary M. Hughes	1993	167,763	45,701	-	-	17,397
(Vice President - Sales and	1992	162,372	45,851	-	-	16,952
Marketing of Containers)	1991	155,326	27,198	-	-	-
Gerald T. Wojdon	1993	167,763	45,701	-	-	17,397
(Vice President - Operations	1992	162,372	45,850	-	-	16,952
of Containers)	1991	155,326	27,198	-	-	-

<FN>

<fa> The compensation of Messrs. Horrigan, Silver, Rankin and Rodriguez was paid by S&H and they received no direct compensation from Holdings, the Company or their respective subsidiaries. See "Certain Transactions -- Management Agreements."

<fb> The salaries of Messrs. Beam, Hughes and Wojdon were paid by Containers.

<fc> Bonuses of Messrs. Beam, Hughes and Wojdon were earned by them in such year and paid in the following year, pursuant to the Silgan Containers Corporation Performance Incentive Plan. Under the Silgan Containers Corporation Performance Incentive Plan, executive officers and other key employees of Containers may be awarded cash bonuses provided that Containers achieves certain assigned financial targets.

<fd> Reflects amounts contributed by Containers under the Silgan Containers Corporation Deferred Incentive Savings Plan (the "Savings Plan"). Containers contributes to the Savings Plan an amount each year based on its profits for such year, as determined by Containers' board of directors. Such contribution is allocated proportionately to participants in accordance with their compensation. A participant's allocable share of such contribution becomes fully vested after five years of service or, if earlier, upon reaching age 55, death, total and permanent disability or termination on account of the sale or closure of a work facility.

</TABLE>

OPTION/SAR VALUES AT DECEMBER 31, 1993

Name	Number of Unexercised Options/SARs at December 31, 1993: Exercisable	Unexercisable	Value of Unexercised in-the-Money Options/SARs at December 31, 1993: Exercisable	Unexercisable
R. Philip Silver . . .	--	--	--	--
D. Greg Horrigan . . .	--	--	--	--
Harley Rankin, Jr. <fa>	10,000	--	-0-	--
James D. Beam <fb><fc>	336	144	$402,390	$100,597
Gary M. Hughes <fb><fd>	144	96	-0-	-0-
Gerald T. Wojdon				

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<fb><fe>	48	48	100,597	100,597

[FN]

<fa> Options are for, and tandem SARs relate to, shares of Holdings Class C Common Stock, par value $.01 per share (the "Holdings Class C Stock"). Value is the excess of the book value of Holdings Class C Stock from the date of grant over the exercise price. In the event of a public offering or third party sale, value would be based on fair market value. See "-- Stock Option Plans" below.

<fb> Options are for, and tandem SARs relate to, shares of Containers' common stock. As of December 31, 1993, 10,800 shares of Containers' common stock are issued and outstanding and an additional 1,200 shares of Containers' common stock are authorized but not issued. Value is the excess of the book value of Containers' common stock from the date of grant, less the portion of parent debt allocable to Containers, over the exercise price. In the event of a public offering or third party sale, value would be based on fair market value as determined under the Containers Plan (as defined in "-- Stock Option Plans" below). See "-- Stock Option Plans" below.

<fc> 240 options and tandem SARs were granted in June 1989 under the Containers Plan, for which the book value, as computed under the Containers Plan, exceeds the exercise price. An additional 240 options and tandem SARs were granted in July 1990 under the Containers Plan.

<fd> 240 options and tandem SARs were granted in July 1990 under the Containers Plan.

<fe> 240 options and tandem SARs were granted in June 1989 under the Containers Plan, of which 144 SARs have been exercised prior to 1993.

Pension Plans

The Company has established pension plans (the "Pension Plans") covering substantially all of the salaried employees of Containers and Plastics, respectively, including the executive officers (the "Containers Pension Plan" and the "Plastics Pension Plan," respectively). The Pension Plans are defined benefit plans intended to be qualified pension plans under Section 401(a) of the Code, under which pension costs are determined annually on an actuarial basis with contributions made accordingly. The pension benefits at normal retirement under each Pension Plan are generally comparable to the benefits under the pension plan covering individuals at Nestle Can or Monsanto, as the case may be, at the time of acquisition in 1987.

Certain salaried employees of Containers, including Containers' executive officers, were covered by the Carnation Employees Plan Number Two for United States Employees (the "Carnation Pension Plan") immediately prior to the acquisition of Nestle Can. The Containers Pension Plan recognizes prior service under the Carnation Pension Plan for purposes of eligibility, vesting and benefit accrual. The benefits payable at retirement under, or upon vested termination from, the Containers Pension Plan are based on the benefit formula and all other factors then in effect under the Containers Pension Plan applied to all combined pension service. Such benefit shall be offset by the accrued benefit, if any, such employee is entitled to receive under the Carnation Pension Plan as of August 31, 1987.

Under the Containers Pension Plan, both the employer and participants contribute. Participants contribute approximately 3% of their annual compensation. The benefit for any participant thereunder is calculated under the greater of either (i) a career average formula of the sum of, for each year of participation up to March 31, 1991, 1% of annual base salary up to $5,400 plus 2% of such salary over $5,400 or (ii) a final pay formula of the average base salary over the final three years of employment multiplied by a percentage (not to exceed 61-1/4%) based upon the participant's years of credited service (not to exceed 35), less a percentage (not to exceed approximately 50%) of such participant's primary social security benefit at employment termination based upon the participant's years of credited service (not to exceed 35). Compensation covered by the Containers Pension Plan is a participant's base salary exclusive of any bonus, overtime or other extra compensation. A participant becomes fully vested after five years of service or upon reaching age 55, if earlier.

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The following table illustrates the estimated annual normal retirement benefits that are payable under the Containers Pension Plan based upon the final pay formula. Such benefit levels assume retirement at age 65, the years of service shown, continued existence of the Containers Pension Plan without substantial change and payment in the form of a single life annuity and includes benefits, if any, payable under the Carnation Pension Plan which will be paid by that plan.

Containers Pension Plan Table

Final Average Earnings	Years of Service 10	15	20	25	30	35
$ 50,000	$ 7,130	$ 10,640	$ 14,260	$ 17,830	$ 21,390	$ 24,960
75,000	11,510	17,260	23,010	28,760	34,520	40,270
100,000	15,880	23,820	31,760	39,700	47,640	55,580
125,000	20,260	30,380	40,510	50,640	60,770	70,890
150,000	24,630	36,950	49,260	61,580	73,890	86,210
175,000	29,010	43,510	58,010	72,510	87,020	101,520
200,000	33,380	50,070	66,760	83,450	100,140	116,830
225,000	37,760	56,630	75,510	94,390	113,270	132,140

Pursuant to Section 401(a)(17) of the Code, there is a limit on the amount of annual compensation which can be taken into account under the Containers Pension Plan. The dollar limit on compensation for 1993 was $235,840. The dollar limit on compensation for 1994 is $150,000. The dollar limit, where applicable, will reduce the amount of benefits payable to highly compensated participants in the Containers Pension Plan.

As of December 31, 1993, the years of credited service under the Containers Pension Plan for each of the eligible executive officers named in the Summary Compensation Table are as follows: James D. Beam, 6, Gary M. Hughes, 3, and Gerald T. Wojdon 34.

In conjunction with the acquisition of DM Can, the employees of Del Monte that are employed by Containers will participate in the Containers Pension Plan. Pursuant to the purchase agreement for the acquisition of DM Can, Del Monte has agreed to transfer to the Containers Pension Plan assets for benefits accrued for such employees while they were employed by Del Monte.

Certain salaried employees of Plastics, including Plastics' executive officers, were covered by the Monsanto Company Salaried Employees' Pension Plan (the "Monsanto Pension Plan") immediately prior to the acquisition of Monsanto Plastic Containers. The Plastics Pension Plan recognizes prior service under the Monsanto Pension Plan for purposes of eligibility, vesting and benefit accrual. The benefits payable at retirement under, or upon vested termination from, the Plastics Pension Plan are based on the benefit formula and all other factors then in effect under the Plastics Pension Plan applied to all combined pension service. Such benefit is offset by the accrued benefit, if any, such employee is entitled to receive under the Monsanto Pension Plan as of August 31, 1987.

Under the Plastics Pension Plan, pensions are based on the greatest of (i) years of benefit service multiplied by 1.4% of Average Earnings, which is defined as the greater of (a) average compensation received during the final 36 months of employment or (b) average compensation received during the highest three of the final five calendar years of employment; (ii) years of benefit service multiplied by 1.5% of Average Earnings less a 50% social security offset; or (iii) years of benefit service multiplied by $30.00. For employees hired between April 1, 1986 and September 1, 1987, the formula is the greater of (i) years of benefit service multiplied by 1.2% of Average Earnings; or (ii) years of benefit service multiplied by 1.5% of Average Earnings less a 50% social security offset. For employees hired after September 1, 1987, the formula is years of benefit service multiplied by 1.1% of Average Earnings. Average Earnings under the Plastics Pension Plan is a participant's total cash income before deduction for contributions, if any, to a plan pursuant to Section 401(k) of the Code or Section 125 of the Code less any moving expense allowance but, in no event, shall Average Earnings exceed 125% of base pay of the participant. A participant becomes fully vested after five years of service or attainment of Normal Retirement Age (as defined under the Plastics Pension Plan), if earlier.

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The following table illustrates the estimated annual normal retirement benefits that are payable under the Plastics Pension Plan based upon the greater of 1.4% of Average Earnings, without reduction for social security or other offset amounts, or 1.5% of Average Earnings less a 50% social security offset. Such benefit levels assume retirement age at 65, the years of service shown, continued existence of the Plastics Pension Plan without substantial change and payment in the form of a single life annuity and includes benefits, if any, payable under the Monsanto Pension Plan which will be paid by that plan.

Plastics Pension Plan Table

Final Average Earnings	Years of Service 10	15	20	25	30	35
$ 50,000	$ 7,000	$ 10,550	$ 14,000	$ 17,500	$ 21,000	$ 24,500
75,000	10,500	15,750	21,000	26,250	31,500	36,750
100,000	14,000	21,000	28,000	35,000	42,000	49,000
125,000	17,500	26,250	35,000	43,750	52,500	61,250
150,000	21,000	31,500	42,000	52,500	63,000	73,950
175,000	24,500	36,750	49,000	61,250	73,950	87,075
200,000	28,000	42,000	56,000	70,200	85,200	100,200
225,000	31,500	47,250	63,000	79,575	96,450	113,325

Pursuant to Section 401(a)(17) of the Code, there is a limit on the amount of annual compensation which can be taken into account under the Plastics Pension Plan. The dollar limit on compensation for 1993 was $235,840. The dollar limit on compensation for 1994 is $150,000. The dollar limit, where applicable, will reduce the amount of benefits payable to highly compensated participants in the Plastics Pension Plan.

Stock Option Plans

Containers, Plastics and Holdings have established separate but similar stock option plans entitled, respectively, the Silgan Containers Corporation Amended and Restated 1989 Stock Option Plan (the "Containers Plan"), the Silgan Plastics Corporation 1994 Stock Option Plan (the "Plastics Plan") and the Silgan Holdings Inc. Amended and Restated 1989 Stock Option Plan (the "Holdings Plan"; collectively, the "Plans"). Under each such Plan, participants may be granted options to purchase shares of common stock or restricted stock and/or SARs. Options granted may be either nonstatutory stock options or incentive stock options under Section 422 of the Code. SARs granted may be related to options concurrently granted or independent of any options.

The board of directors of each of the respective sponsoring companies, through a committee, administers its respective plan and has the power to, among other things, choose participants, the type of grant and all the terms and conditions thereof, including number of shares covered by a grant and the exercise price, if applicable. Only officers (including executive officers) and other key employees are eligible to participate in the plan sponsored by their employer. As of December 31, 1993, Containers and Plastics have reserved 1,200 authorized but unissued shares of their respective common stock, $.01 par value, for issuance under their respective plans and Holdings has reserved 24,000 authorized but unissued shares of Holdings Class C Stock, for issuance under the Holdings Plan.

Generally, each option granted under the Plans becomes exercisable over a period of five years, with 20% of the option having become exercisable on the first anniversary of the grant and an additional 20% having become or becoming exercisable on each anniversary thereafter. The purchase price of each option granted under the Containers Plan ranges from $2,122.00 to $4,933.20 per share. The purchase price of options granted under the Plastics Plan is $126 per share. The purchase price of options granted under the Holdings Plan ranges from $35.00 to $60.71 per share. Each option granted under the Plans was granted with related SARs. The SARs extend to all option shares and under the Containers Plan and Holdings Plan provide for a payment by the sponsoring company to the holder of an amount equal to the excess of the book value of a share of the sponsoring company at the SAR exercise date or, if applicable, the fair market value of such share at the SAR exercise date after a public offering of such shares, over the exercise price of the SAR multiplied by the number of shares involved in the SAR exercise and under the Plastics Plan provide for a payment by Plastics to the holder of an amount equal to the excess of the fair market value of such share at the SAR exercise date over the exercise price of the SAR multiplied by the number of shares involved in the SAR exercise. Each option and related SAR granted under each of the Plans expires on the date that is one

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day before ten years after the date of grant or on such earlier date as the holder's employment shall terminate or within a specified period after termination as provided in the respective Plans.

All options granted under any of the Plans must be evidenced by an option agreement between the sponsoring company and the option recipient embodying all the terms and conditions of the option grant; provided that (i) all options must be granted before the respective Plan expires, (ii) incentive stock options granted must comply with Section 422 of the Code, (iii) all options must be exercisable no earlier than one year from the date of grant, (iv) no option shall be transferable or assignable otherwise than by will or the laws of descent and distribution and, during the lifetime of the recipient, such option shall be exercisable only by the recipient, (v) all options must expire or remain exercisable for a limited time after termination of employment, all as specified in the respective Plans, and (vi) upon exercise of all options, full payment for the shares covered shall be made in cash for each of the Plans or, for the Containers Plan and Holdings Plan, shares of common stock of the sponsoring company already owned or a combination of cash and shares of common stock.

All SARs granted under any of the Plans must be evidenced by an agreement containing the terms of exercise and manner of settlement, provided that (i) all SARs must be granted before the respective Plan expires, (ii) SARs must be exercisable no earlier than one year from the date of grant, (iii) SARs granted in tandem with options must have the same terms and conditions as the related option and the exercise of a related SAR extinguishes the related option to the extent exercised and vice versa and (iv) SARs may contain a provision for automatic exercise on the last day of the term thereof.

Restricted stock issued under any of the Plans must bear an appropriate legend referring to the terms, conditions and restrictions applicable thereto. The sponsoring company has a right to purchase and participants have a right to require the sponsoring company to repurchase its common stock acquired pursuant to the respective Plan upon the occurrence of certain events in accordance with such Plan.

In the event of a public offering of any of Holdings' common stock or a sale of Holdings to a third party, the options granted by Containers and Plastics pursuant to their respective Plans are convertible into stock options of Holdings under the Holdings Plan and any stock issued upon exercise of options under the Containers Plan are convertible into common stock of Holdings. The calculation of the number of shares to be issued upon the conversion of such options or shares will be determined based upon a valuation of Holdings and an allocation of such value among its subsidiaries (after giving effect to, among other things, that portion of the outstanding indebtedness of Holdings allocable to each such subsidiary).

Certain Employment Agreements

Certain executive officers and other key employees of Containers and Plastics (including Messrs. Beam and Wojdon) have executed employment agreements. The initial term of such employment agreements is generally three years from its effective date and is automatically extended for successive one year periods unless terminated pursuant to the terms of such agreement. Each such employment agreement provides for, among other things, a minimum severance benefit equal to base salary and benefits for, in most cases, a period of one year (or the remainder of the term of the agreement, if longer) (i) if the employee is terminated by his employer for any reason other than disability or for cause as specified in the agreement or (ii) if the employee voluntarily terminates employment due to a demotion and, in some cases, significant relocation, all as specified in the agreement.

The foregoing summaries of the various benefit plans and agreements of the Company are qualified by reference to such plans and agreements, copies of certain of which have been filed as exhibits to the Registration Statement of which this Prospectus is a part.

SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Certain Beneficial Owners of Silgan's Capital Stock

All of the outstanding shares of common stock of Silgan, consisting of one share of Class A common stock, par value $.01 per share (the "Silgan Class A Stock"), and one share of Class B common stock, par value $.01 per share (the "Silgan Class B Stock"), are owned by Holdings. Holdings' address

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is 4 Landmark Square, Stamford, CT 06901.

Certain Beneficial Owners of Holdings' Capital Stock

The following table sets forth, as of June 30, 1994, certain information with respect to the beneficial ownership by certain persons and entities of outstanding shares of capital stock of Holdings:

<TABLE>
<CAPTION>

	Number of Shares of each class of Holdings Common Stock Owned			Percentage Ownership of Holdings Common Stock						
	Class A	Class B	Class C	Class A	Class B	Class C	Consolidated <F1>			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>			
R. Philip Silver <F2>	208,750	--	--	50%	--	--	19.24%			
D. Greg Horrigan <F2>	208,750	--	--	50%	--	--	19.24%			
James S. Hoch <F3>	--	--	--	--	--	--	--			
Robert H. Niehaus <F3> . . .	--	--	--	--	--	--	--			
Harley Rankin, Jr.	--	--	10,000<F4>	--	--	15.38%	--			
James D. Beam <F5>	--	--	--	--	--	--	--			
Gary M. Hughes <F5>	--	--	--	--	--	--	--			
Gerald T. Wojdon <F5>				--	--	--	--	--	--	--
The Morgan Stanley Leveraged Equity Fund II, L.P. <F6> .	--	417,500	--	--	62.55%	--	38.48%			
Mellon Bank, N.A., as trustee for First Plaza Group Trust <F7>	--	250,000	--	--	37.45%	--	23.04%			
All officers and directors as a group	417,500	--	15,000<F4>	100%	--	23.08%<F8>	38.48%			

____
<FN>

<F1> This column reflects the percentage ownership of voting common stock that would exist if Holdings' Class A common stock, par value $.01 per share (the "Holdings Class A Stock"), and Holdings Class B Stock were treated as a single class. Holdings Class C Stock generally does not have voting rights and is not included in the percentage ownership reflected in this column. See "Description of Holdings Common Stock--General."

<F2> Director of Holdings and Silgan. Messrs. Silver and Horrigan are parties to a voting agreement pursuant to which they have agreed to use their best efforts to vote their shares as a block. The address for such person is 4 Landmark Square, Stamford, CT 06901.

<F3> Director of Holdings and Silgan. The address for such person is c/o Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, NY 10020.

<F4> Reflects shares that may be acquired through the exercise of vested stock options granted pursuant to the Holdings Plan.

<F5> Options to purchase shares of common stock of Containers and tandem SARs have been granted to such person pursuant to the Containers Plan. Pursuant to the Containers Plan, such options may be converted into stock options of Holdings (and the Containers' common stock issuable upon exercise of such options may be converted into common stock of Holdings) in the event of a public offering of any of Holdings' common stock or a sale of Holdings to a third party.

<F6> The address for The Morgan Stanley Leveraged Equity Fund II, L.P., is 1251 Avenue of the Americas, New York, NY 10020.

<F7> The address for First Plaza Group Trust is c/o General Motors Investment Management Corporation, 767 Fifth Avenue, New York, NY 10153. Mellon Bank, N.A. ("Mellon"), acts as the trustee for First Plaza, a trust under and for the benefit of certain employee benefit plans of General Motors Corporation ("GM") and its subsidiaries. These shares may be deemed to be owned beneficially by General Motors Investment Management Corporation ("GMIMCo"), a wholly owned subsidiary of GM. GMIMCo is serving as First Plaza's investment manager with respect to these shares and in that capacity it has the sole power to direct Mellon as to the voting and disposition of these shares. Because of Mellon's limited role, beneficial ownership of the shares by Mellon is disclaimed.

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<F8> Bankers Trust New York Corporation ("BTNY") beneficially owns 50,000 shares of Holdings Class C Stock.

</TABLE>

See "Description of Holdings Common Stock" for additional information about the common stock of Holdings, the holders thereof and certain arrangements among them.

CERTAIN TRANSACTIONS

Management Agreements

Holdings, Silgan, Containers and Plastics each entered into an amended and restated management services agreement dated as of December 21, 1993 (collectively, the "Management Agreements") with S&H to replace in its entirety its existing management services agreement, as amended, with S&H. Pursuant to the Management Agreements, S&H provides Holdings, Silgan, Containers and Plastics and their respective subsidiaries with general management and administrative services (the "Services"). The Management Agreements provide for payments to S&H (i) on a monthly basis, of $5,000 plus an amount equal to 2.475% of consolidated earnings before depreciation, interest and taxes of Holdings and its subsidiaries ("Holdings EBDIT"), for such calendar month until Holdings EBDIT for the calendar year shall have reached an amount set forth in the Management Agreements for such calendar year (the "Scheduled Amount") and 1.65% of Holdings EBDIT for such calendar month to the extent that Holdings EBDIT for the calendar year shall have exceeded the Scheduled Amount but shall not have been greater than an amount (the "Maximum Amount") set forth in the Management Agreements (the "Monthly Management Fee") and (ii) on a quarterly basis, of an amount equal to 2.475% of Holdings EBDIT for such calendar quarter until Holdings EBDIT for the calendar year shall have reached the Scheduled Amount and 1.65% of Holdings EBDIT for such calendar quarter to the extent that Holdings EBDIT for the calendar year shall have exceeded the Scheduled Amount but shall not have been greater than the Maximum Amount (the "Quarterly Management Fee"). The Scheduled Amount was $65.5 million for the calendar year 1993 and increases by $6.0 million for each year thereafter. The Maximum Amount is $90.197 million for the calendar year 1994, $95.758 million for the calendar year 1995, $98.101 million for the calendar year 1996, $100.504 million for the calendar year 1997, $102.964 million for the calendar year 1998 and $105.488 million for the calendar year 1999. The Management Agreements provide that upon receipt by Silgan of a notice from Bankers Trust that certain events of default under the Credit Agreement have occurred, the Quarterly Management Fee shall continue to accrue, but shall not be paid to S&H until the fulfillment of certain conditions, as set forth in the Management Agreements.

The Management Agreements continue in effect until the earliest of: (i) the completion of an IPO (as defined in "Description of Holdings Common Stock--Description of the Holdings Organization Agreement"); (ii) June 30, 1999; (iii) at the option of each of the respective companies, the failure or refusal of S&H to perform its obligations under the Management Agreements, if such failure continues unremedied for more than 60 days after written notice of its existence shall have been given; (iv) at the option of MSLEF II (a) if S&H or Holdings is declared insolvent or bankrupt or a voluntary bankruptcy petition is filed by either of them, (b) upon the occurrence of any of the following events with respect to S&H or Holdings if not cured, dismissed or stayed within 45 days: the filing of an involuntary petition in bankruptcy, the appointment of a trustee or receiver or the institution of a proceeding seeking a reorganization, arrangement, liquidation or dissolution, (c) if S&H or Holdings voluntarily seeks a reorganization or arrangement or makes an assignment for the benefit of creditors or (d) upon the death or permanent disability of both of Messrs. Silver and Horrigan; and (v) upon the occurrence of a Change of Control (as defined in the Restated Certificate of Incorporation of Holdings and as described under "Description of Holdings Common Stock--General").

In addition to the management fees described above, the Management Agreements provide for the payment to S&H on the closing date of the IPO of an amount, if any (the "Additional Amount") equal to the sum of the present values, calculated for each year or portion thereof, of (i) the amount of the annual management fee for such year or portion thereof that otherwise would have been payable to S&H for each such year or portion thereof for the period beginning as of the time of the IPO and ending on June 30, 1999 (the "Remaining Term") pursuant to the provisions described in the preceding paragraph but for the occurrence of the IPO, minus (ii) the amount payable to S&H for the Remaining Term at the rate of $2.0 million per year. The

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Management Agreements further provide that the amounts described in clause (i) of the first sentence of this paragraph will be calculated based upon S&H's good faith projections of Holdings EBDIT for each such year (or portion thereof) during the Remaining Term (the "Estimated Fees"), which projections shall be made on a basis consistent with S&H's past projections. The difference between the amount of Estimated Fees for any particular year and $2 million shall be discounted to present value at the time of the IPO using a discount rate of eight percent (8%) per annum, compounded annually.

Additionally, the Management Agreements provide that Holdings, Silgan, Containers, Plastics and their respective subsidiaries shall reimburse S&H, on a monthly basis, for all out-of-pocket expenses paid by S&H in providing the Services, including fees and expenses to consultants, subcontractors and other third parties, in connection with such Services. All fees and expenses paid to S&H under each of the Management Agreements are credited against amounts paid to S&H under the other Management Agreements. Under the terms of the Management Agreements, Holdings, Silgan, Containers and Plastics have agreed, subject to certain exceptions, to indemnify S&H and its affiliates, officers, directors, employees, subcontractors, consultants or controlling persons against any losses, damages, costs and expenses they may sustain arising in connection with the Management Agreements.

The Management Agreements also provide that S&H may select a consultant, subcontractor or agent to provide the Services. S&H has retained Morgan Stanley to render financial advisory services to S&H. In connection with such retention, S&H has agreed to pay Morgan Stanley a fee equal to 9.1% of the fees paid to S&H under the Management Agreements.

The Credit Agreement does not permit the payment of fees under the Management Agreements above amounts provided for therein.

For the years ended December 31, 1993, 1992 and 1991, pursuant to the arrangements described above, S&H earned aggregate fees, including reimbursable expenses and fees payable to Morgan Stanley, of $4.4 million, $4.2 million and $4.0 million, respectively, from the Company, Holdings, Containers, Plastics, SPHI and Silgan PET and during 1993, 1992 and 1991, Morgan Stanley earned fees of $337,000, $324,000 and $306,000, respectively.

Other

In connection with the 1989 Mergers, subject to the provisions of Delaware law, the Company agreed to indemnify each director, officer, employee, fiduciary and agent of the Company, Containers, Plastics and its subsidiaries and their respective affiliates against costs, expenses, judgments, fines, losses, claims, damages and settlements (except for any settlement effected without the Company's written consent) in connection with any claims, actions, suits, proceedings or investigations arising out of or related to the 1989 Mergers or their financing, including certain liabilities arising under the federal securities laws.

Simultaneously with the consummation of the 1989 Mergers, a tax allocation agreement was entered into by Holdings, the Company, Plastics and Containers that permits the Company and its subsidiaries to use the tax benefits provided by the debt of Holdings and permits funds to be provided to Holdings from the Company and its subsidiaries in an amount equal to the federal and state tax liabilities of Holdings, as the parent of the consolidated group consisting of Holdings, the Company and its Subsidiaries. Such tax allocation agreement has been amended and restated from time to time to include new members of the consolidated group.

In connection with the Amended and Restated Credit Agreement under the Refinancing, the lenders thereunder (including Bankers Trust) received certain fees amounting to $1.4 million. In connection with the Refinancing, Morgan Stanley received as compensation for its services as underwriter for the 11-3/4% Notes Offering and Holdings Debentures Offering and as initial purchaser of the Secured Notes an aggregate of $11.5 million. In connection with the Credit Agreement entered into in December 1993, the Banks (including Bankers Trust) received certain fees amounting to $8.1 million.

G. William Sisley, Secretary of the Company and Holdings, is a partner in the law firm of Winthrop, Stimson, Putnam & Roberts. Winthrop, Stimson, Putnam & Roberts provides legal services to Holdings, the Company and the Company's subsidiaries.

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DESCRIPTION OF CERTAIN INDEBTEDNESS

Description of the Credit Agreement

The following is a summary of the terms of the Credit Agreement.

The Available Credit Facility. Pursuant to the Credit Agreement, an aggregate of (i) $60 million of term loans designated as A Term Loans (the "A Term Loans") and (ii) $80 million of term loans designated as B Term Loans (the "B Term Loans," together with the A Term Loans, the "Term Loans") are outstanding and owing to the Banks by Silgan, and the Banks have agreed to lend to Containers and Plastics up to an aggregate of $70 million of working capital loans (the "Working Capital Loans").

To secure the obligations of the Borrowers under the Credit Agreement: (i) Silgan pledged to the Banks all of the capital stock of Containers and Plastics held by Silgan; (ii) Containers pledged to the Banks all of the capital stock of the California-Washington Can Corporation ("CW Can") held by Containers; (iii) Plastics pledged to the Banks 65% of the capital stock of 827599 Ontario Inc. ("Canadian Holdco") held by Plastics; (iv) Silgan, Containers, Plastics and CW Can each granted to the Banks security interests in substantially all of their respective real and personal property; and (v) Holdings pledged to the Banks all of the capital stock of Silgan held by Holdings. Such collateral (other than the collateral described in (v)) also secures on an equal and ratable basis the Secured Notes, subject to intercreditor arrangements. Holdings and each of the Borrowers have guaranteed on a secured basis all of the obligations of the Borrowers under the Credit Agreement.

The aggregate amount of Working Capital Loans which may be outstanding at any time is, subject to a borrowing base limitation, the sum of (i) 85% of eligible accounts receivable and (ii) 50% of eligible inventory of Containers, Plastics and CW Can.

Each of the Term Loans and each of the Working Capital Loans, at the respective Borrower's election, consists of loans designated as Eurodollar rate loans or as base rate loans. Subject to certain conditions, each of the Term Loans and each of the Working Capital Loans can be converted from a base rate loan into a Eurodollar rate loan and vice versa.

As of March 31, 1994, the outstanding principal amount of the A Term Loans, the B Term Loans and the Working Capital Loans under the Credit Agreement were $60 million, $80 million and $5.8 million, respectively.

Payment of Loans. Generally, the Working Capital Loans can be borrowed, repaid and reborrowed from time to time until September 15, 1996, on which date all Working Capital Loans mature. Amounts repaid under the Term Loans cannot be reborrowed.

The B Term Loans mature on September 15, 1996 and are payable in full on such date. The A Term Loans are payable in installments as follows:

A Term Loan Scheduled Repayment Date	Amount
September 30, 1994	$ 5,000,000
December 31, 1994	$15,000,000
September 30, 1995	$ 5,000,000
December 31, 1995	$15,000,000
September 15, 1996	$20,000,000

The Term Loans and Working Capital Loans may be prepaid, without penalty or premium, at any time. The Term Loans are required to be prepaid, and the working capital commitment may be required to be reduced, upon the occurrence of, among other things, certain asset sales and certain sales of equity by Silgan or Holdings and to the extent of 75% of Excess Cash Flow (as defined in the Credit Agreement).

Interest and Fees. Interest on the Term Loans and the Working Capital Loans is payable at certain margins over certain rates as summarized

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below.

Interest on base rate loans accrues at floating rates of the Applicable Margin (as defined in the Credit Agreement), plus the highest of (i) 1/2 of 1% in excess of a formula rate based on the offering rate for negotiable certificates of deposit with a three month maturity, (ii) 1/2 of 1% in excess of the Federal Funds Rate, and (iii) Bankers Trust's then applicable prime lending rate. Interest on Eurodollar rate loans accrues at floating rates of the Applicable Margin over a formula rate determined with reference to the rate offered by Bankers Trust for dollar deposits in the New York interbank Eurodollar market.

Each of Containers and Plastics has agreed to jointly and severally pay to the Banks, on a quarterly basis, a commitment commission calculated as 0.50% per annum on the daily average unused portion of the Banks' working capital commitment in respect of the Working Capital Loans until such working capital commitment is terminated.

Containers and Plastics are required to pay to the Banks, on a quarterly basis, a letter of credit fee of 3.0% per annum on the daily average stated amount of each letter of credit issued for the account of Containers or Plastics. Containers and Plastics are also required to pay to Bankers Trust, on a quarterly basis, a facing fee of 1/4 of 1% per annum on the daily average stated amount of each letter of credit issued for the account of Containers or Plastics.

Certain Covenants. The Credit Agreement contains numerous financial and operating covenants, under which the Company must operate. Failure to comply with any of such covenants permits the Banks to accelerate, subject to the terms of the Credit Agreement, the maturity of all amounts outstanding under the Credit Agreement.

The Credit Agreement restricts or limits each of the Borrowers' and their respective subsidiaries' abilities: (i) to create certain liens; (ii) to consolidate, merge or sell its assets and to purchase assets; (iii) to pay dividends on, or repurchase shares of, its capital stock, except that, among other things: (a) Silgan may pay dividends to Holdings under certain circumstances; (b) Containers and Plastics may pay dividends to Silgan as long as they remain wholly owned subsidiaries of Silgan, CW Can may pay dividends to Containers, Canadian Holdco may pay dividends to Plastics and Express may pay dividends to Canadian Holdco; and (c) Silgan may repurchase or redeem stock options or SARs, issued to management of Containers and Plastics under certain circumstances; (iv) to lease real and personal property; (v) to create additional indebtedness, except for, among other things: (a) certain indebtedness existing on the date of the Credit Agreement; (b) indebtedness of Containers to Plastics or Plastics to Containers; and (c) Silgan's indebtedness represented by the Secured Notes, the 11-3/4% Notes and by the intercompany notes; (vi) to make certain advances, investments and loans, except for, among other things: (a) loans from Silgan to each of Containers and Plastics represented by intercompany notes; (b) loans from Containers to Plastics or from Plastics to Containers; and (c) loans from Containers and/or Plastics to Silgan not exceeding $15 million in aggregate principal amount outstanding at any time; (vii) to enter into transactions with affiliates; (viii) to make certain capital expenditures, except for, among other things, capital expenditures which do not exceed in the aggregate for the Borrowers, such amounts, during such periods, as set forth below:

Period	Amount
Calendar year ended December 31, 1993 . . .	$46,500,000
Calendar year ended December 31, 1994 . . .	$35,000,000
Calendar year ended December 31, 1995 . . .	$30,000,000
Calendar year ended December 31, 1996 . . .	$30,000,000

; provided, however, that to the extent capital expenditures made during any period set forth above are less than the amounts set forth opposite such period, such amount may be carried forward and utilized to make capital expenditures in the immediately succeeding calendar year; (ix) to make any voluntary payments, prepayments, acquire for value, redeem or exchange, among other things, any 11-3/4% Notes or Secured Notes, or to make certain amendments to the 11-3/4% Notes, the Secured Notes, the Borrowers' or their respective subsidiaries' respective certificates of incorporation and by-laws, or to certain other agreements; (x) with certain exceptions, to have any subsidiaries other than Containers and Plastics with respect to Silgan, CW Can with respect to Containers, and Canadian Holdco and Express with

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respect to Plastics; (xi) with certain exceptions, to permit its respective subsidiaries to issue capital stock; (xii) to permit its respective subsidiaries to create limitations on the ability of any such subsidiary to (a) pay dividends or make other distributions, (b) make loans or advances, or (c) transfer assets; and (xiii) to engage in any business other than the packaging business.

The Credit Agreement requires that Silgan own not less than 90% of the outstanding common stock of Containers and Plastics and 100% of all other outstanding capital stock of Containers and Plastics.

The Credit Agreement requires that the ratio of Consolidated Current Assets (as defined below) to Consolidated Current Liabilities (as defined below) of any of the Borrowers may not, at any time, be less than 2:1 and that the ratio of Bank EBITDA (as defined below) to Interest Expense (as defined below) for any of the Borrowers may not be, for any period of four consecutive fiscal quarters (or, if shorter, the period beginning on January 1, 1994 and ending on the last day of a fiscal quarter ended after January 1, 1994)(taken as one accounting period) ending during a period set forth below, less than the ratio set forth opposite such period below:

Period	Ratio
Fiscal quarter ending March 31, 1994	2.25:1
Fiscal quarter ending June 30, 1994	2.35:1
Fiscal quarter ending September 30, 1994	2.70:1
Fiscal quarter ending December 31, 1994	2.70:1
January 1, 1995 to and including December 31, 1995 .	3.00:1
January 1, 1996 to and including September 30, 1996	3.40:1

In addition, the ratio of Total Indebtedness (as defined below) to Consolidated Net Worth (as defined below) of any of the Borrowers is not permitted to exceed on any date set forth below the ratio set forth opposite such date:

Period	Ratio
December 31, 1994	5.00:1
December 31, 1995	3.25:1
August 31, 1996	2.75:1

"Bank EBITDA" means for any period, EBIT, adjusted by adding thereto the amount of all depreciation and amortization of intangibles (including covenants not to compete), goodwill and loan fees that were deducted in arriving at EBIT for such period.

"Consolidated Current Assets" means the current assets of Silgan and its subsidiaries determined on a consolidated basis, provided that the unused amounts of commitments for Working Capital Loans shall also be included as a current asset of Silgan in making such determination.

"Consolidated Current Liabilities" means the current liabilities of Silgan and its subsidiaries determined on a consolidated basis, provided that the current portion of loans, and accrued interest thereon, under the Credit Agreement, the current portion of any loans made by Silgan to Containers or Plastics, the current portion of, and accrued interest on, the Secured Notes and the 11-3/4% Notes from the last interest payment date shall not be considered current liabilities for the purposes of making such determination.

"Consolidated Net Worth" means the Net Worth of Silgan and its subsidiaries determined on a consolidated basis, and "Net Worth" of any person means the sum of its capital stock, capital in excess of par or stated value of shares of its capital stock, retained earnings (without giving effect to any noncash adjustments resulting from changes in value of employee stock options), and any other account which, in accordance with generally accepted accounting principles, constitutes stockholders' equity, less treasury stock.

"EBIT" means for any period, the consolidated net income of Silgan and its subsidiaries, before interest expense and provision for taxes and without giving effect to any extraordinary noncash gains or extraordinary noncash losses and gains from sales of assets (other than sales of inventory in the ordinary course of business), any noncash adjustments resulting from changes

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in value of employee stock options.

"Indebtedness" means, as to any person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such person for borrowed money or for the deferred purchase price of property or services, (ii) the face amount of all letters of credit issued for the account of such person and all drafts drawn thereunder, (iii) all liabilities secured by any lien on any property owned by such person, whether or not such liabilities have been assumed by such person, (iv) the aggregate amount required to be capitalized under leases under which such person is the lessee and (v) all contingent obligations of such person.

"Interest Expense" means, for any period, the total consolidated interest expense of Silgan and its subsidiaries for such period.

"Total Indebtedness" means the aggregate Indebtedness of Silgan and its subsidiaries determined on a consolidated basis, provided that there shall be excluded, in making such determination, indebtedness consisting of capitalized lease obligations existing as of the effective date of the Credit Agreement.

For purposes of all computations to determine compliance with the financial covenants under the Credit Agreement, such computations are to be made utilizing the accounting principles and policies in conformity with those used to prepare Silgan's audited financial statements for the fiscal year ended December 31, 1992, for purposes of determining the Net Worth of Silgan, no effect is given to the Allowed Reduction (as defined in the Credit Agreement).

The ability of Holdings to take certain actions is restricted or limited pursuant to the terms of the Silgan Holdings Guaranty, dated as of June 30, 1989, as amended, made by Holdings in favor of the Banks and Bankers Trust, as agent (the "Holdings Guaranty"). The Holdings Guaranty restricts or limits Holdings' ability to, among other things: (i) create certain liens, (ii) incur additional indebtedness, (iii) consolidate, merge or sell its assets and to purchase or lease assets, (iv) pay dividends, (v) make loans or advances and (vi) engage in any business other than holding Silgan's common stock and making certain investments.

Events of Default. Events of default under the Credit Agreement include, with respect to each of the Borrowers, as the case may be, among others: (i) the failure to pay any principal on the Term Loans or the Working Capital Loans, the failure to reimburse drawings under any letters of credit when due or the failure to pay within two business days after the date such payment is due interest on the Term Loans, the Working Capital Loans or any unpaid drawings under any letter of credit or any fees or other amounts owing under the Credit Agreement (collectively, a "Payment Default"); (ii) any failure to pay amounts due under certain other agreements or any defaults that result in or permit the acceleration of certain other indebtedness; (iii) subject to certain limited exceptions, the breach of any covenants, representations or warranties contained in the Credit Agreement or any related document; (iv) certain events of bankruptcy, insolvency or dissolution; (v) the occurrence of certain judgments, writs of attachment or similar process against any of the Borrowers or any of their respective subsidiaries; (vi) the occurrence of certain ERISA related liabilities; (vii) a default under or invalidity of the guarantees (including an event of default under the Holdings Guaranty) or of the security interests granted to the Banks pursuant to the Credit Agreement; (viii) the failure of Holdings to own 100% of the capital stock of Silgan (other than Silgan Preferred Stock); and (ix) a Change of Control (as defined in the Holdings Guaranty, the Secured Notes Purchase Agreement (as defined below), the indenture relating to the 11-3/4% Notes or the Indenture) shall occur; and (x) the requirement that Silgan repurchase 25% or more of the aggregate principal amount of the Secured Notes then outstanding or any 11-3/4% Note or Holdings Discount Debenture as a result of a Change of Control (as defined in the agreements and indentures relating thereto).

Upon the occurrence of any event of default under the Credit Agreement, the Banks are permitted, among other things, to accelerate the maturity of the Term Loans and Working Capital Loans and of all outstanding indebtedness under the Credit Agreement and terminate their commitment to make any further Working Capital Loans or to issue any letters of credit.

Description of the Secured Notes

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The Secured Notes, which were issued on June 29, 1992 pursuant to a secured notes purchase agreement (as such agreement may be amended from time to time, the "Secured Notes Purchase Agreement"), constitute senior indebtedness of the Company, are limited to an aggregate principal amount of $50 million, and mature on June 30, 1997. The Secured Notes are secured by a first lien (subject to permitted liens) on substantially all of the assets of the Company and its subsidiaries. Such collateral also secures on an equal and ratable basis, subject to certain intercreditor arrangements, all other Secured Obligations (as defined in the Secured Notes Purchase Agreement), including indebtedness of the Company and its subsidiaries under the Credit Agreement. In addition, the obligations of the Company under the Secured Notes and the Secured Notes Purchase Agreement are guaranteed by Containers and Plastics.

The Secured Notes bear interest at a rate of three-month LIBOR plus 300 basis points.

The Secured Notes are redeemable at the option of the Company at par plus accrued and unpaid interest to the redemption date. Net cash proceeds from (i) certain asset sales and (ii) the issuance of capital stock by any Restricted Subsidiary (as defined in the Secured Notes Purchase Agreement) of the Company, are required to be applied to prepay the Secured Notes and indebtedness under the Credit Agreement on a pro rata basis, subject to certain exceptions. In the event of a Change of Control (as defined in the Secured Notes Purchase Agreement), each holder of a Secured Note has the right to require the Company to repurchase such holder's Secured Notes at a purchase price equal to 100% of the principal amount thereof plus accrued interest.

The Secured Notes contain certain restrictive covenants including, subject to certain exceptions, the following: (i) limitations on the ability of the Company and its Restricted Subsidiaries to grant liens on any property; (ii) limitations on the ability of the Company and its Restricted Subsidiaries to incur indebtedness; (iii) limitations on payments of dividends and purchases of the capital stock of the Company and its Restricted Subsidiaries; (iv) restrictions on repayments of subordinated indebtedness; (v) limitations on investments by the Company or any Restricted Subsidiary in affiliates of the Company or in any Unrestricted Subsidiary (as defined in the Secured Notes Purchase Agreement); (vi) limitations on the incurrence by the Company and its Restricted Subsidiaries of any restriction on the ability of any Restricted Subsidiaries to pay dividends or repay any indebtedness owed to, or transfer any property or assets to, the Company or any Restricted Subsidiary; (vii) limitations on transactions with affiliates; and (viii) limitations on the Company's ability to effect certain mergers, consolidations and transfers of assets. The covenants referred to in clauses (ii) through (viii) above are substantially similar to the comparable covenants that are contained in the Indenture, except that the covenant referred to in clause (ii) above is more restrictive than the comparable covenant contained in the Indenture and becomes even more restrictive over the term of the Secured Notes. However, none of the covenants relating to the Secured Notes are more restrictive upon the Company or any Restricted Subsidiary than the corresponding restrictive covenant in the Credit Agreement. See "--Description of the Credit Agreement" above and "Description of the 11-3/4% Notes."

Events of default under the Secured Notes include: (i) failure to pay principal or premium, if any, when due, or to pay interest within 30 days of when due; (ii) failure by the Company to comply with any of its covenants or agreements under the Secured Notes and the continuance of such failure for 30 days after written notice; (iii) an acceleration of certain other indebtedness of the Company; (iv) certain events of bankruptcy of the Company or any Significant Subsidiary (as defined in the Secured Notes Purchase Agreement); and (v) a judgment is rendered against the Company or certain Subsidiaries for an amount in excess of $5 million which is not discharged within 60 days.

Description of Holdings Discount Debentures

Holdings sold the Holdings Discount Debentures in a public offering on June 29, 1992. The Holdings Discount Debentures were offered at a substantial discount from their principal amount and there is no payment of interest on the Holdings Discount Debentures prior to December 15, 1996. From and after June 15, 1996, the Holdings Discount Debentures bear interest, payable in cash, at a rate of 13-1/4% per annum. The gross proceeds to Holdings from the offering of the Holdings Discount Debentures were $165.4 million. The Holdings Discount Debentures are redeemable at any time, at the option of Holdings, in whole or in part, at 100% of their principal amount plus accrued interest (if any) to the redemption date. In the event of a Change of Control (as defined in the indenture relating to the Holdings Discount Debentures (the "Debentures Indenture")), each holder of Holdings Discount Debentures may require Holdings to repurchase such Holdings Discount Debentures at 101% of the Accreted Value (as defined in the Debentures Indenture) plus accrued interest (if any).

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In the event of a Holdings Merger (as defined in the Debentures Indenture) or similar transaction between Holdings and Silgan, or upon the assumption by Silgan of the Holdings Discount Debentures, the Holdings Discount Debentures will be subordinated in right of payment to all existing and future Senior Indebtedness (as defined in the Debentures Indenture) of the Successor Corporation (as defined in the Debentures Indenture) existing on the date of such transaction or assumed or incurred thereafter. The Debentures Indenture contains certain covenants that, among other things, direct the application of proceeds from certain asset sales, limit the ability of Holdings and its subsidiaries to incur indebtedness, make certain payments with respect to their capital stock, make prepayments of certain indebtedness, make loans or investments in entities other than Restricted Subsidiaries (as defined in the Debentures Indenture), enter into transactions with affiliates, engage in mergers or consolidations, and the ability of the Restricted Subsidiaries to issue stock.

DESCRIPTION OF SILGAN CAPITAL STOCK

Under Silgan's Restated Certificate of Incorporation, Silgan has authority to issue 1,000 shares of Silgan Class A Stock, par value $.01 per share, 1,000 shares of Silgan Class B Stock, par value $.01 per share, and 1,000 shares of Silgan Class C common stock, par value $.01 per share (the "Silgan Class C Stock"). The Company currently has one share of Silgan Class A Stock and one share of Silgan Class B Stock outstanding, which shares were issued to Holdings on June 30, 1989 in conjunction with the effectiveness of the 1989 Mergers. No shares of Silgan Class C Stock are currently outstanding.

DESCRIPTION OF HOLDINGS COMMON STOCK

General

Certain of the statements contained herein are summaries of the detailed provisions of the Restated Certificate of Incorporation of Holdings (the "Certificate of Incorporation") and are qualified in their entirety by reference to the Certificate of Incorporation, a copy of which is filed herewith.

Under the Certificate of Incorporation, Holdings has authority to issue 500,000 shares of Class A Common Stock, par value $.01 per share, 667,500 shares of Class B Common Stock, par value $.01 per share, and 1,000,000 shares of Class C Common Stock, par value $.01 per share. Holdings has an aggregate of 1,135,000 shares of common stock outstanding as follows: (i) 417,500 shares of Holdings Class A Stock; (ii) 667,500 shares of Holdings Class B Stock; and (iii) 50,000 shares of Holdings Class C Stock. Except as described below, the rights, privileges and powers of Holdings Class A Stock and Holdings Class B Stock are identical, with each share of each class being entitled to one vote on all matters to come before the stockholders of Holdings.

Until the occurrence of a Change of Control (as defined in the Certificate of Incorporation and as described below), the affirmative vote of the holders of not less than a majority of the outstanding shares of Holdings Class A Stock and Holdings Class B Stock, voting as separate classes, shall be required for the approval of any matter to come before the stockholders of Holdings, except that (i) the holders of a majority of the outstanding shares of Holdings Class A Stock, voting as a separate class, have the sole right to vote for the election and removal of three directors (the directors elected by the holders of Holdings Class A Stock being referred to herein as "Class A Directors"); (ii) the holders of a majority of the outstanding shares of Holdings Class B Stock, voting as a separate class, have the sole right to vote for the election and removal of all directors other than the Class A Directors (the directors elected by the holders of Holdings Class B Stock being referred to herein as "Class B Directors"); and (iii) the vote of not less than a majority of the outstanding shares of Holdings Class B Stock shall be required in certain circumstances set forth in the Certificate of Incorporation. The holders of Holdings Class C Stock have no voting rights except as provided by applicable law and except that such holders are entitled to vote as a separate class on certain amendments to the Certificate of Incorporation as provided therein. In the event Holdings sells shares of any class of its common stock to the public, the distinctions between Holdings Class A Stock and Holdings Class B Stock terminate, the powers, including voting powers, of Holdings Class A Stock and Holdings Class B Stock shall be identical upon compliance with certain provisions contained in the Certificate of Incorporation, and any Regulated Stockholder (generally

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defined to mean banks) will be entitled to convert all shares of Holdings Class C Stock held by such stockholder into the same number of shares of Holdings Class B Stock (or Holdings Class A Stock to the extent such Holdings Class C Stock was issued upon conversion of Holdings Class A Stock).

After a Change of Control, the affirmative vote of the holders of not less than a majority of the outstanding shares of Holdings Class A Stock and Holdings Class B Stock, voting together as a single class, will be required for the approval of any matter to come before the stockholders of Holdings, except that the provisions described in clauses (i) and (ii) in the preceding paragraph shall continue to apply from and after a Change of Control, and except as otherwise provided in the Certificate of Incorporation with respect to its amendment. Also, after a Change of Control, the number of Class B Directors will be increased to five.

In the event that a vacancy among the Class A Directors or the Class B Directors occurs at any time prior to the election of directors at the next scheduled annual meeting of stockholders, the vacancy shall be filled, in the case of the Class A Directors, by either (i) the vote of the holders of a majority of the outstanding shares of Holdings Class A Stock at a special meeting of stockholders, or (ii) by written consent of the holders of a majority of the outstanding shares of Holdings Class A Stock, and, in the case of the Class B Directors, by either (i) the vote of the holders of a majority of the outstanding shares of Holdings Class B Stock at a special meeting or stockholders, or (ii) by written consent of the holders of a majority of the outstanding shares of the Holdings Class B Stock.

A "Change of Control" is defined in the Certificate of Incorporation to include the occurrence of any of the following events: (i) Messrs. Silver and Horrigan shall collectively own, directly or indirectly, less than one-half of the aggregate number of outstanding shares of Holdings Class A Stock owned by them directly or indirectly on June 30, 1989 on a common stock equivalent basis, or (ii) the acceleration of the indebtedness under the Credit Agreement or the Holdings Discount Debentures, as a result of the occurrence of an event of default thereunder relating to a payment default or a financial covenant event of default.

Description of the Holdings Organization Agreement

Concurrently with the issuance and sale to First Plaza of the Holdings Stock, Holdings, MSLEF II, BTNY, First Plaza and Messrs. R. Philip Silver and D. Greg Horrigan entered into the Amended and Restated Organization Agreement dated as of December 21, 1993 (the "Holdings Organization Agreement") that provides for the termination of the Organization Agreement dated as of June 30, 1989 by and among Holdings, MSLEF II, BTNY and Messrs. Silver and Horrigan (except for the indemnification provisions thereof, which provisions survive) and for the investment by First Plaza in Holdings and the relationships among the stockholders and between the stockholders and Holdings. Certain of the statements contained herein are summaries of the detailed provisions of the Holdings Organization Agreement and are qualified in their entirety by reference to the Holdings Organization Agreement.

The Holdings Organization Agreement prohibits the disposition of Holdings' common stock without the prior written consent of Messrs. Silver and Horrigan and MSLEF II, except for (i) dispositions to affiliates (which, in the case of First Plaza, includes any successor or underlying trust, and which, in the case of MSLEF II, does not include any person which is not an Investment Entity (as defined below)), (ii) dispositions to certain family members of Messrs. Silver and Horrigan or trusts for the benefit of those family members, (iii) certain transfers among MSLEF II, BTNY, First Plaza and Messrs. Silver and Horrigan that comply with certain rights of first refusal set forth in the Holdings Organization Agreement, which rights expire on June 30, 1994, (iv) dispositions to certain parties at any time on or after June 30, 1994, subject to certain other rights of first refusal discussed below, (v) the sale by First Plaza to Holdings of all of the Holdings Stock acquired by First Plaza on December 21, 1993, upon the exercise of Holdings' call option as described below, and (vi) dispositions in connection with an initial public offering of the common stock of Holdings, as described below. Any transfer of Holdings' common stock (other than transfers described in clauses (v) and (vi) of the preceding sentence) will be void unless the transferee agrees in writing prior to the proposed transfer to be bound by the terms of the Holdings Organization Agreement.

At any time on or after June 30, 1994, MSLEF II may effect a sale of stock to an Investment Entity (generally defined as any person who (i) is primarily engaged in the business of investing in securities of other

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companies and not taking an active role in the management or operations of such companies and (ii) does not permit the participation or involvement in any way in the business or affairs of Holdings of a person who is engaged in a business not described in clause (i)) or, in the event of certain defaults under the amended and restated management services agreement by and between S&H, a company wholly-owned by Messrs. Silver and Horrigan, and Holdings (described under "Certain Transactions--Management Agreements"), to a third party, in each case, if it first offers such stock to: (a) Holdings, (b) the Group (defined generally to mean, collectively, Messrs. Silver and Horrigan and their respective affiliates and certain related family transferees and estates, with Mr. Silver and his affiliates and certain related family transferees and estates being deemed to be collectively one member of the Group, and Mr. Horrigan and his affiliates and certain related family transferees and estates being deemed to be collectively one member of the Group) and (c) BTNY, in each case on the same terms and conditions as the proposed sale to an Investment Entity or the proposed third party sale. In addition, in any such sale by MSLEF II, BTNY and First Plaza must be given the opportunity to sell the same percentage of its stock to such Investment Entity or third party. At any time on or after June 30, 1994, each member of the Group may transfer shares of stock to a third party if such holder first offers such shares to: (a) the other member of the Group, (b) Holdings, (c) MSLEF II and (d) BTNY, in each case on the same terms and conditions as the proposed third party sale. At any time on or after June 30, 1994, BTNY may effect a sale of stock to a third party if it first offers such shares to: (a) Holdings, (b) MSLEF II and (c) the Group, in each case on the same terms and conditions as the proposed third party sale.

At any time on or after June 30, 1994, either MSLEF II or the Group has the right to require a recapitalization transaction. A recapitalization transaction is defined as any transaction (such as a merger, consolidation, exchange of securities or liquidation) involving Holdings pursuant to which MSLEF II and the Group retain their proportionate ownership interest in the surviving entity if the following conditions are met: (i) the value of any securities of the surviving entity acquired or retained by the party not initiating the recapitalization transaction does not exceed 67% of the difference between (x) the value of such securities and any cash received by such party and (y) all taxes payable as a result of the transaction, (ii) if MSLEF II initiates the recapitalization transaction and will not own all the voting equity securities of the surviving entity not owned by the Group, the Group shall have the right to purchase such securities, (iii) if the Group initiates the recapitalization transaction and will not own all of the voting equity securities of the surviving entity, MSLEF II shall have the right to purchase such securities, and (iv) the majority in principal amount of the indebtedness incurred in connection with such transaction shall be held for at least one year by persons not affiliated with either MSLEF II or any member of the Group.

The Holdings Organization Agreement provides that in the event that either Mr. Silver or Mr. Horrigan (each, a "Manager") dies or becomes permanently disabled prior to June 30, 1994 (an "Inactive Manager"), such Inactive Manager or his affiliates shall have the right to sell to Holdings all Holdings Class A Stock held by the Inactive Manager at the Fair Market Value (as defined in the Holdings Organization Agreement) of such stock, provided that such stock must first be offered to the remaining Manager at the same price. The Holdings Organization Agreement also provides that if either Mr. Silver or Mr. Horrigan dies, becomes permanently disabled or is convicted of any felony directly related to the business of Holdings prior to June 30, 1994, the other Manager and his affiliates shall have the right to purchase all of such person's Holdings Class A Stock at a price equal to Fair Market Value in the case of death or disability and the Adjusted Book Value (as defined in the Holdings Organization Agreement) in the case of a conviction as stated above, and Holdings shall have the right to purchase all such stock not purchased by the other Manager.

At any time prior to December 21, 1998, Holdings shall have the right and option to purchase from First Plaza, and First Plaza shall have the obligation to sell to Holdings, all (but not less than all) of the Holdings Stock for a price per share equal to the greater of (i) $120 per share and (ii) the purchase price necessary to yield on an annual basis a compound return on investment of forty percent (40%). The number of shares subject to such call and the call purchase price shall be proportionately adjusted to take into account any stock dividend, stock split, combination of shares, subdivision or other recapitalization of the capital stock of Holdings.

The Holdings Organization Agreement provides that at any time after June 15, 1996, the holders of a majority of the issued and outstanding shares of Holdings Class A Stock and Holdings Class B Stock (considered together as a class) may by written notice to Holdings require Holdings to pursue the first public offering of Holdings' common stock pursuant to an effective

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registration statement (an "IPO") on the terms and conditions provided in the Holdings Organization Agreement. In addition to the portion of the IPO which shall consist of shares of Holdings' common stock to be sold by Holdings, the IPO may also include a secondary tranche consisting of shares of Holdings' common stock to be sold by stockholders of Holdings.

Pursuant to the provisions of the Holdings Organization Agreement, each of MSLEF II, BTNY, First Plaza and Messrs. Silver and Horrigan has agreed to take all action (including voting its shares of Holdings' common stock) to approve the adoption of the Restated Certificate of Incorporation of Holdings, as amended, the Amended and Restated By-laws of Holdings, and the Amended and Restated Management Services Agreement (the "Post-IPO Management Services Contract"), in each case substantially in the form agreed to pursuant to the Holdings Organization Agreement and in each case to become effective at the time an IPO is completed. The Post-IPO Management Services Contract provides, among other things, for the payment to S&H of management fees of $2.0 million annually plus reimbursement of expenses. See "Certain Transactions--Management Agreements."

Pursuant to the provisions of the Holdings Organization Agreement, MSLEF II has agreed that it will not vote its shares of Holdings Class B Stock in favor of any changes in the Certificate of Incorporation or By-laws of Holdings which would adversely affect the rights of First Plaza, unless First Plaza has consented in writing to such change. In addition, so long as First Plaza shall hold not less than 18.73% of the issued and outstanding shares of Holdings Class B Stock, First Plaza shall have the right to nominate one of the Class B Directors to be elected at each annual meeting of stockholders in accordance with the provisions of the Certificate of Incorporation, and the holders of Holdings Class B Stock parties to the Holdings Organization Agreement have agreed to vote their shares of Holdings Class B Stock in favor of such nominee.

In addition, in the event that First Plaza, MSLEF II or BTNY shall purchase any shares of Holdings Class A Stock, such purchaser has agreed that it will vote such shares in accordance with the directions of the "holders of a majority of the shares of Class A Stock held by the Group" (defined generally to mean the holders of a majority of the aggregate of 417,500 shares of Holdings Class A Stock held by Messrs. Silver and Horrigan at December 21, 1993, which at the time of any such determination have been continuously and are held by the Group) until such time as a Change of Control has occurred. In the event that Messrs. Silver or Horrigan shall purchase any shares of Holdings Class B Stock, such purchaser agrees that it will vote such shares in accordance with the directions of MSLEF II, unless MSLEF II and First Plaza (together with their respective affiliates) shall hold directly or indirectly less than one-half of the aggregate number of shares of Holdings Class B Stock held by MSLEF II and First Plaza immediately following the issuance and sale of the Holdings Stock to First Plaza on December 21, 1993.

Pursuant to the terms of the Holdings Organization Agreement, Holdings entered into an amended and restated management services agreement with S&H, a corporation wholly owned by Messrs. Silver and Horrigan. See "Certain Transactions--Management Agreements."

The Holdings Organization Agreement terminates upon the earlier of (i) the mutual agreement of the parties, (ii) such time as it becomes unlawful, (iii) the completion of an IPO, and (iv) June 30, 1999. The parties may agree to extend the term of the Holdings Organization Agreement.

Description of the Holdings Stockholders Agreement

Concurrently with the issuance and sale to First Plaza of the Holdings Stock, Holdings, MSLEF II, BTNY, First Plaza and Messrs. Silver and Horrigan entered into a Stockholders Agreement dated as of December 21, 1993 (the "Stockholders Agreement") that provides for certain prospective rights and obligations among the stockholders and between the stockholders and Holdings. The operative provisions of the Stockholders Agreement do not take effect until after the occurrence of an IPO, at which time the Holdings Organization Agreement will have terminated in accordance with its terms as described above under "Description of the Holdings Organization Agreement." Certain of the statements contained herein are summaries of the detailed provisions of the Stockholders Agreement and are qualified in their entirety by reference to the Stockholders Agreement.

The Stockholders Agreement provides that for a period of eight years after the IPO, each of MSLEF II and First Plaza shall have the right to

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demand two separate registrations of its shares of Holdings' common stock (equalling a total of four separate demand registrations); provided, however, that such demand right will terminate as to MSLEF II or First Plaza, as the case may be, at such time as MSLEF II or First Plaza, as the case may be, together with its affiliates, owns less than five percent of the issued and outstanding shares of Holdings' common stock at any time. If, at any time or from time to time for a period of eight years after the IPO, Holdings shall determine to register Holdings' common stock (other than in connection with certain non-underwritten offerings), Holdings will offer each of MSLEF II, BTNY, First Plaza and Messrs. Silver and Horrigan the opportunity to register shares of Holdings' common stock it holds in a "piggyback registration."

The Stockholders Agreement prohibits the transfer prior to June 30, 1999 (or, in the case of any restriction applicable to First Plaza, December 21, 1998) by MSLEF II, First Plaza or Messrs. Silver or Horrigan of Holdings' common stock without the prior written consent of Messrs. Silver and Horrigan and MSLEF II, except for (i) transfers made in connection with a public offering or a Rule 144 Open Market Transaction (as defined in the Stockholders Agreement), (ii) transfers made to an affiliate, which, in the case of a transfer by First Plaza or MSLEF II to an affiliate, must be an Investment Entity (defined generally to be any person who is primarily engaged in the business of investing in securities of other companies and not taking an active role in the management or operations of such companies), (iii) transfers made to certain family members of Messrs. Silver and Horrigan or trusts for the benefit of those family members, (iv) certain transfers by First Plaza to a third party that comply with certain rights of first refusal of the Group and MSLEF II set forth in the Stockholders Agreement, (v) certain transfers by MSLEF II to an Investment Entity or, in the event of certain defaults under the amended and restated management services agreement between S&H and Holdings, to a third party, that comply with certain rights of first refusal of the Group set forth in the Stockholders Agreement, (vi) certain transfers by either member of the Group to a third party that comply with certain rights of first refusal of the other member of the Group and MSLEF II set forth in the Stockholders Agreement, and (vii) in the case of MSLEF II, a distribution of all or substantially all of the shares of Holdings' common stock then owned by MSLEF II to the partners of MSLEF II (a "MSLEF Distribution"). Notwithstanding the foregoing, MSLEF II may pledge its shares of Holdings' common stock to a lender or lenders reasonably acceptable to Holdings to secure a loan or loans to MSLEF II. In the event of any proposed foreclosure of such pledge, such shares will be subject to certain rights of first refusal of the Group set forth in the Stockholders Agreement.

The Stockholders Agreement provides that until December 21, 1998, for so long as MSLEF II and its affiliates (excluding the limited partners of MSLEF II who may acquire shares of Holdings' common stock from MSLEF II in a MSLEF Distribution) shall hold at least one-half of the number of shares of Holdings' common stock held by MSLEF II on December 21, 1993 (as adjusted, if necessary, to take into account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings), the parties and their Restricted Voting Transferees (as defined in the Stockholders Agreement) shall use their best efforts (including to vote any shares of Holdings' common stock owned or controlled by such person or otherwise) to cause the nomination and election of two (2) members of the Board of Directors of Holdings to be chosen by MSLEF II; provided, however, that each such nominee shall be (i) either an employee of Morgan Stanley whose primary responsibility is managing investments for MSLEF II (or a successor or related partnership) or (ii) a person reasonably acceptable to the Group not engaged in (as a director, officer, employee, agent or consultant or as a holder of more than five percent of the equity securities of) a business competitive with that of Holdings.

In addition, until December 21, 1998, for so long as the Group shall hold at least one-half of the number of shares of Holdings' common stock held by it in the aggregate on December 21, 1993 (as adjusted, if necessary, to take into account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings), the parties and their Restricted Voting Transferees shall use their best efforts (including to vote any shares of Holdings' common stock owned or controlled by such person or otherwise) to cause the nomination and election of two (2) individuals nominated by the "holders of a majority of the shares of [c]ommon [s]tock held by the Group" (as such phrase is defined in the Stockholders Agreement) as members of the Board of Directors of Holdings; provided, however, that at least one (1) of such nominees shall be Mr. Silver or Mr. Horrigan and the other person, if not Mr. Silver or Mr. Horrigan, shall be a person reasonably acceptable to MSLEF II, so long as MSLEF II and its affiliates (other than any affiliate which is not an Investment Entity and excluding the limited partners of MSLEF II who may acquire shares of Holdings' common stock from MSLEF II in a MSLEF distribution) shall hold at least one-half of the number of shares of Holdings' common stock held by MSLEF II at December 21, 1993 (as adjusted, if necessary, to take into

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account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings).

Subject to the terms of the preceding two paragraphs, for so long as the Group shall hold at least one-half of the number of shares of Holdings' common stock held by it in the aggregate at Decmeber 21, 1993 (as adjusted, if necessary, to take into account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings), First Plaza and its Restricted Voting Transferees shall vote all shares of Holdings' common stock held by them in favor of any other directors standing for election to Holdings' Board of Directors for whom the holders of a majority of the shares of Holdings' common stock held by the Group shall direct First Plaza to vote.

The Stockholders Agreement further provides that until December 21, 1998, MSLEF II and its Restricted Voting Transferees shall vote all shares of Holdings' common stock held by them against any unsolicited merger, or sale of Holdings' business or its assets, if such transaction is opposed by the holders of a majority of the shares of common stock held by the Group, unless as of the applicable record date for such vote, the Group holds less than ninety percent (90%) of the number of shares of Holdings' common stock held by it in the aggregate at December 21, 1993 (as adjusted, if necessary, to take into account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings). Until December 21, 1998, First Plaza and its Restricted Voting Transferees shall vote all shares of common stock held by them against any unsolicited merger, or sale of Holdings' business or its assets, if such transaction is opposed by the holders of a majority of the shares of common stock held by the Group; provided, however, that First Plaza and its Restricted Voting Transferees shall not be required to vote their shares of Holdings' common stock in accordance with the foregoing if (i) in connection with such merger or sale, (x) First Plaza and its Restricted Voting Transferees propose to sell or otherwise transfer all of their shares of Holdings' common stock to a third party for aggregate cash consideration of less than $10 million and (y) the Group and/or MSLEF II has not exercised their right of first refusal in respect of such sale or transfer by First Plaza or such right of first refusal in respect of the shares of Holdings' common stock held by First Plaza shall have terminated, or (ii) as of the applicable record date for such vote, the Group holds less than ninety percent (90%) of the number of shares of Holdings' common stock held by it in the aggregate at December 21, 1993 (as adjusted, if necessary, to take into account any stock dividend, stock split, combination of shares, subdivision or recapitalization of the capital stock of Holdings).

DESCRIPTION OF THE 11-3/4% NOTES

The 11-3/4% Notes were issued under an Indenture, dated as of June 29, 1992, between the Company and Shawmut Bank, N.A., as Trustee (the "Trustee"). A copy of the Indenture is filed as an exhibit to the Registration Statement of which this Prospectus is a part and is available as described under "Additional Information." The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indenture, including the definitions of certain terms therein and those terms made a part thereof by the Trust Indenture Act of 1939, as amended. Wherever particular Sections or defined terms of the Indenture not otherwise defined herein are referred to, such Sections or defined terms are incorporated herein by reference. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the Indenture.

General

The 11-3/4% Notes are unsecured senior subordinated obligations of the Company, limited to $135 million aggregate principal amount, and mature on June 15, 2002. Each 11-3/4% Note bears interest at the rate per annum shown on the front cover of this Prospectus from June 29, 1992 or from the most recent Interest Payment Date to which interest has been paid or provided for, payable semiannually (to Holders of record at the close of business on the June 1 or December 1 immediately preceding the Interest Payment Date) on June 15 and December 15 of each year, commencing December 15, 1992. Principal of, premium, if any, and interest on the 11-3/4% Notes are payable, and the 11-3/4% Notes may be exchanged or transferred, at the office or agency of the Company in the Borough of Manhattan, The City of New York (which shall initially be the office of Shawmut Trust Company, at 40 Broad Street, New York, New York 10004); provided that, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such

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address appears in the Security Register. (Sections 2.01, 2.03 and 2.05)

The 11-3/4% Notes are issuable only in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000. (Section 2.02) No service charge shall be made for any registration of transfer or exchange of 11-3/4% Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. (Section 2.05)

Subordination

The payment of the Senior Subordinated Obligations is, to the extent set forth in the Indenture, subordinated in right of payment to the prior payment in full, in cash or cash equivalents, of all Senior Indebtedness (as defined below), including the Company's obligations under the Credit Agreement and the Secured Notes. At March 31, 1994, $195.8 million of Senior Indebtedness of the Company was outstanding. See "Capitalization."

To the extent any payment of Senior Indebtedness (whether by or on behalf of the Company, as proceeds of security or enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then, if such payment is recovered by, or paid over to, such receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent the obligation to repay any Senior Indebtedness is declared to be fraudulent, invalid, or otherwise set aside under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then the obligation so declared fraudulent, invalid or otherwise set aside (and all other amounts that would come due with respect thereto had such obligations not been so affected) shall be deemed to be reinstated and outstanding as Senior Indebtedness for all purposes of the Indenture as if such declaration, invalidity or setting aside had not occurred. Upon any payment or distribution of assets or securities of the Company of any kind or character, whether in cash, property or securities, upon any dissolution or winding up or total or partial liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all amounts due or to become due upon all Senior Indebtedness (including any interest accruing subsequent to an event of bankruptcy, whether or not such interest is an allowed claim enforceable against the debtor under the United States Bankruptcy Code) shall first be paid in full, in cash or cash equivalents before the Holders or the Trustee on behalf of the Holders shall be entitled to receive any payment by the Company on account of any Senior Subordinated Obligations, or any payment to acquire any of the 11-3/4% Notes for cash, property or securities, or any distribution with respect to the 11-3/4% Notes of any cash, property or securities. Before any payment may be made by or on behalf of the Company of any Senior Subordinated Obligations upon any such dissolution, winding up, liquidation or reorganization, any payment or distribution of assets or securities of the Company of any kind or character, whether in cash, property or securities, to which the Holders or the Trustee on behalf of the Holders would be entitled, but for the subordination provisions of the Indenture, shall be made by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person making such payment or distribution, or by the Holders or the Trustee if received by them or it, directly to the holders of the Senior Indebtedness (pro rata to such holders on the basis of the respective amounts of Senior Indebtedness held by such holders) or their representatives, or to the trustee or trustees under any indenture pursuant to which any such Senior Indebtedness may have been issued, as their respective interests appear, to the extent necessary to pay all such Senior Indebtedness in full, in cash or cash equivalents after giving effect to any concurrent payment, distribution or provision therefor, to or for the holders of such Senior Indebtedness.

No direct or indirect payment by or on behalf of the Company of Senior Subordinated Obligations, whether pursuant to the terms of the 11-3/4% Notes or upon acceleration or otherwise, shall be made if, at the time of such payment, there exists a default in the payment of all or any portion of the obligations on any Senior Indebtedness, and such default shall not have been cured or waived or the benefits of this sentence waived by or on behalf of the holders of such Senior Indebtedness. In addition, during the continuance of any other event of default with respect to (i) the Credit Agreement or the Secured Notes pursuant to which the maturity thereof may be accelerated and (a) upon receipt by the Trustee of written notice from the Bank Agent or, if there is no Credit Agreement in effect, from an authorized representative of

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the Requisite Secured Noteholders or (b) if such event of default under the Credit Agreement or the Secured Notes results from the acceleration of the 11-3/4% Notes, from and after the date of such acceleration, no payment of Senior Subordinated Obligations may be made by or on behalf of the Company upon or in respect of the 11-3/4% Notes for a period (a "Payment Blockage Period") commencing on the earlier of the date of receipt of such notice or the date of such acceleration and ending 159 days thereafter (unless such Payment Blockage Period shall be terminated by written notice to the Trustee from the Bank Agent or, if there is no Credit Agreement in effect, from an authorized representative of the Requisite Secured Noteholders or such event of default has been cured or waived) or (ii) any other Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated, upon receipt by the Trustee of written notice from the trustee or other representative for the holders of such other Designated Senior Indebtedness (or the holders of at least a majority in principal amount of such other Designated Senior Indebtedness then outstanding), no payment of Senior Subordinated Obligations may be made by or on behalf of the Company upon or in respect of the 11-3/4% Notes for a Payment Blockage Period commencing on the date of receipt of such notice and ending 119 days thereafter (unless, in each case, such Payment Blockage Period shall be terminated by written notice to the Trustee from such trustee or other representatives for such holders). Not more than one Payment Blockage Period may be commenced with respect to the 11-3/4% Notes during any period of 360 consecutive days; provided that, subject to the limitation contained in the next sentence, the commencement of a Payment Blockage Period by the representatives for, or the holders of, Designated Senior Indebtedness other than under the Credit Agreement, the Secured Notes or under clause (i)(b) of this paragraph shall not bar the commencement of another Payment Blockage Period by the Bank Agent or, if there is no Credit Agreement in effect, by an authorized representative of the Requisite Secured Noteholders within such period of 360 consecutive days. Notwithstanding anything in the Indenture to the contrary, there must be 180 consecutive days in any 360-day period in which no Payment Blockage Period is in effect. No event of default (other than an event of default pursuant to the financial maintenance covenants under the Credit Agreement) that existed or was continuing (it being acknowledged that any subsequent action that would give rise to an event of default pursuant to any provision under which an event of default previously existed or was continuing shall constitute a new event of default for this purpose) on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis for the commencement of a second Payment Blockage Period by the representative for, or the holders of, such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such event of default shall have been cured or waived for a period of not less than 90 consecutive days. (Article Ten)

By reason of the subordination provisions described above, in the event of liquidation or insolvency, creditors of the Company who are not holders of Senior Indebtedness or of the 11-3/4% Notes may recover less ratably than holders of Senior Indebtedness and may recover more ratably than Holders of the 11-3/4% Notes.

"Senior Indebtedness" is defined to mean the following obligations of the Company: (i) all Indebtedness and other monetary obligations of the Company under the Credit Agreement, the Secured Notes (including the Secured Notes Purchase Agreement), any Interest Rate Agreement or any Currency Agreement, (ii) all other Indebtedness of the Company (other than Indebtedness evidenced by the 11-3/4% Notes), including principal and interest on such Indebtedness, unless such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is pari passu with, or subordinated in right of payment to, the 11-3/4% Notes and (iii) all fees, expenses and indemnities payable in connection with the Credit Agreement, the Secured Notes (including the Secured Notes Purchase Agreement) and, if applicable, Currency Agreements and Interest Rate Agreements; provided that the term "Senior Indebtedness" shall not include (a) any Indebtedness of the Company that, when Incurred and without respect to any election under Section 1111(b) of the United States Bankruptcy Code, was without recourse to the Company, (b) any Indebtedness of the Company to a Subsidiary of the Company or to a joint venture in which the Company has an interest, (c) any Indebtedness of the Company (other than such Indebtedness already described in clause (i) above) of the type described in clause (ii) above and not permitted by the "Limitation on Indebtedness" covenant described below, (d) in the event the Holdings Discount Debentures become obligations of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes), Indebtedness under the Holdings Discount Debentures, which shall be subordinated in right of payment to the 11-3/4% Notes, (e) any repurchase, redemption or other obligation in respect of Redeemable Stock, (f) any Indebtedness to any employee or officer of the Company or any of its Subsidiaries, (g) any liability for federal, state, local or other taxes owed or owing by the Company and (h) any Trade Payables. "Senior Indebtedness" also includes interest accruing subsequent to events of bankruptcy of the Company and its Subsidiaries at the rate provided for in the document governing such Indebtedness, whether or not such interest is an

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allowed claim enforceable against the debtor in a bankruptcy case under federal bankruptcy law. (Section 1.01)

"Designated Senior Indebtedness" is defined to mean (i) Indebtedness under the Credit Agreement and the Secured Notes (including the Secured Notes Purchase Agreement), including refinancings thereof if it is specifically designated by the Company in the instrument creating or evidencing such refinancing Indebtedness that such refinancing Indebtedness constitutes "Designated Senior Indebtedness" and (ii) any other Indebtedness constituting Senior Indebtedness that, at any date of determination, has an aggregate principal amount of at least $25 million and is specifically designated by the Company in the instrument creating or evidencing such Senior Indebtedness as "Designated Senior Indebtedness." (Section 1.01)

Except as set forth in the Indenture, the subordination provisions described above will cease to be applicable to the 11-3/4% Notes upon any defeasance of the 11-3/4% Notes as described under "--Defeasance" below. (Article Eight)

Optional Redemption

The 11-3/4% Notes are redeemable at any time, at the Company's option, in whole or in part, on or after June 15, 1997 and prior to maturity, upon not less than 30 nor more than 60 days' prior notice mailed by first class mail to each Holder's last address as it appears in the Security Register, at the following Redemption Prices (expressed in percentages of principal amount) plus accrued interest to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date), if redeemed during the 12-month period commencing on or after June 15 of the years set forth below:

Year	Redemption Price
1997	105.8750%
1998	102.9375%

and after June 15, 1999, at 100% of principal amount. (Sections 3.01 and 3.04)

Selection. In the case of any partial redemption, selection of the 11-3/4% Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the 11-3/4% Notes are listed or, if the 11-3/4% Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate; provided that no Note of $1,000 in original principal amount or less shall be redeemed in part. If any 11-3/4% Note is to be redeemed in part only, the notice of redemption relating to such 11-3/4% Note shall state the portion of the principal amount thereof to be redeemed. A new 11-3/4% Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original 11-3/4% Note. (Sections 3.03 and 3.04)

The Credit Agreement and the Secured Notes each contain a covenant prohibiting the optional redemption of the 11-3/4% Notes. See "Description of Certain Indebtedness--Description of the Credit Agreement" and "--Description of the Secured Notes."

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for the full definitions of all such terms as well as any other capitalized terms used herein for which no definition is provided. (Section 1.01)

"Adjusted Consolidated Net Income" is defined to mean, for any period, the aggregate net income (or loss) of any Person and its consolidated Subsidiaries for such period determined in conformity with GAAP; provided that the following items shall be excluded in computing Adjusted Consolidated Net Income (without duplication): (i) the net income (or loss) of such Person (other than a Subsidiary of such Person) in which any other Person (other than such Person or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to such Person or any of its Subsidiaries by such other Person during such period; (ii) solely for the purposes of calculating the amount of Restricted Payments that may be made pursuant to clause (c) of the first paragraph of the "Limitation on Restricted Payments" covenant described below (and in such case, except to the extent includible pursuant to clause (i) above), the net income (or loss) of such Person accrued prior to the date it becomes a Subsidiary of any other Person or is merged into or consolidated with such

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other Person or any of its Subsidiaries or all or substantially all of the property and assets of such Person are acquired by such other Person or any of its Subsidiaries; (iii) the net income (or loss) of any Subsidiary of any Person to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary; (iv) any gains or losses (on an after-tax basis) attributable to Asset Sales; (v) any amounts paid or accrued as dividends on Preferred Stock of such Person or Preferred Stock of any Subsidiary of such Person; (vi) any amounts reducing Adjusted Consolidated Net Income resulting from payments made to holders of stock options or stock appreciation rights resulting from the 1989 Mergers; and (vii) all extraordinary gains and extraordinary losses; provided that, solely for the purposes of calculating the Interest Coverage Ratio (and in such case, except to the extent includible pursuant to clause (i) above), "Adjusted Consolidated Net Income" of the Company shall include the amount of all cash dividends received by the Company or any Subsidiary of the Company from an Unrestricted Subsidiary.

"Affiliate" is defined to mean, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, is defined to mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, neither the Bank Agent nor any Bank nor any affiliate of any of them shall be deemed to be an Affiliate of the Company or any Subsidiary of the Company.

"Asset Acquisition" is defined to mean (i) an investment by the Company or any of its Subsidiaries in any other Person pursuant to which such Person shall become a Subsidiary of the Company or any of its Subsidiaries or shall be merged into or consolidated with the Company or any of its Subsidiaries or (ii) an acquisition by the Company or any of its Subsidiaries of the property and assets of any Person other than the Company or any of its Subsidiaries that constitute substantially all of an operating unit or business of such Person.

"Asset Disposition" is defined to mean the sale or other disposition by the Company or any of its Subsidiaries (other than to the Company or another Subsidiary of the Company) of (i) all or substantially all of the Capital Stock of any Subsidiary of the Company or (ii) all or substantially all of the property and assets that constitute an operating unit or business of the Company or any of its Subsidiaries.

"Asset Sale" is defined to mean, with respect to any Person, any sale, transfer or other disposition (including by way of merger, consolidation or sale-leaseback transactions) in one transaction or a series of related transactions by such Person or any of its Subsidiaries to any Person other than the Company or any of its Subsidiaries of (i) all or any of the Capital Stock of any Subsidiary of such Person, (ii) all or substantially all of the property and assets of an operating unit or business of such Person or any of its Subsidiaries or (iii) any other property and assets of such Person or any of its Subsidiaries outside the ordinary course of business of such Person or such Subsidiary and, in each case, that is not governed by the provisions in the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company; provided that sales or other dispositions of inventory, receivables and other current assets shall not be included within the meaning of such term.

"Average Life" is defined to mean, at any date of determination with respect to any debt security, the quotient obtained by dividing (i) the sum of the product of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such debt security and (b) the amount of such principal payment by (ii) the sum of all such principal payments.

"Bank Agent" is defined to mean Bankers Trust Company, as agent for the Banks pursuant to the Credit Agreement, and any successor or successors thereto.

"Banks" is defined to mean the lenders who are from time to time parties to the Credit Agreement.

"Board of Directors" is defined to mean the Board of Directors of the Company or any committee of such Board of Directors duly authorized to act under the Indenture.

"Business Day" is defined to mean any day except a Saturday, Sunday or other day on which commercial banks in The City of New York, or in the city

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of the Corporate Trust Office of the Trustee, are authorized by law to close.

"Capital Stock" is defined to mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock of such Person which is outstanding or issued on or after the date of the Indenture, including, without limitation, all Common Stock and Preferred Stock.

"Capitalized Lease" is defined to mean, as applied to any Person, any lease of any property (whether real, personal or mixed) of which the discounted present value of the rental obligations of such Person as lessee, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person; and "Capitalized Lease Obligation" is defined to mean the rental obligations, as aforesaid, under such lease.

"Change of Control" is defined to mean such time as (i) (a) a "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than MSLEF II, Mr. Horrigan, Mr. Silver and their respective Affiliates, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 35% of the total voting power of the then outstanding Voting Stock of Holdings and (b) MSLEF II, Mr. Horrigan, Mr. Silver and their respective Affiliates beneficially own, directly or indirectly, less than 25% of the total voting power of the then outstanding Voting Stock of Holdings; (ii) individuals who at the beginning of any period of two consecutive calendar years constituted the board of directors of Holdings (together with any new directors whose election by the board of directors of Holdings or whose nomination for election by the Holdings' shareholders was approved by a vote of at least two-thirds of the members of the board of directors of Holdings then still in office who either were members of the board of directors of Holdings at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the board of directors of Holdings then in office; (iii) (a) Holdings merges into or consolidates with any other Person or sells, conveys, transfers, leases or otherwise disposes of, all or substantially all of its property and assets to any Person or (b) any Person merges into Holdings, in either case pursuant to a transaction in which any Voting Stock of Holdings outstanding immediately prior to the effectiveness thereof is reclassified or changes into or is exchanged for cash, securities or other property; provided that any merger, consolidation, sale, transfer, lease or other disposition (1) between the Company and Holdings, (2) between Holdings and any of its Subsidiaries or between Subsidiaries (including, without limitation, the reincorporation of Holdings in another jurisdiction) or (3) for the purpose of creating a public holding company for Holdings in which all holders of Holdings' Capital Stock would be entitled to receive (other than cash in lieu of fractional shares) solely Capital Stock of the holding company in amounts proportionate to their holdings of Capital Stock of Holdings immediately prior to such transaction, shall be excluded from the operation of this clause (iii); or (iv) Holdings shall not beneficially own, directly or indirectly, at least a majority of the issued and outstanding Voting Stock of the Company other than as a result of a merger or consolidation of Holdings and the Company.

"Closing Date" is defined to mean the date on which the 11-3/4% Notes are originally issued under the Indenture.

"Common Stock" is defined to mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of common stock of such Person which is outstanding or issued on or after the date of the Indenture, including, without limitation, all series and classes of such common stock.

"Consolidated EBITDA" is defined to mean, with respect to any Person for any period, the sum of the amounts for such period of (i) Adjusted Consolidated Net Income, (ii) Consolidated Interest Expense, (iii) income taxes (other than income taxes (either positive or negative) attributable to extraordinary and non-recurring gains or losses or sales of assets), (iv) depreciation expense, (v) amortization expense and (vi) all other noncash items reducing Adjusted Consolidated Net Income, less all noncash items increasing Adjusted Consolidated Net Income, all as determined on a consolidated basis for such Person and its Subsidiaries in conformity with GAAP; provided that, if a Person has any Subsidiary that is not a Wholly Owned Subsidiary of such Person, Consolidated EBITDA of such Person shall be reduced by an amount equal to (a) the Adjusted Consolidated Net Income of such Subsidiary multiplied by (b) the quotient of (1) the number of shares of outstanding Common Stock of such Subsidiary not owned on the last day of such period by such Person or any Subsidiary of such Person divided by (2) the total number of shares of outstanding Common Stock of such Subsidiary on the last day of such period.

"Consolidated Interest Expense" is defined to mean, with respect to any Person for any period, the aggregate amount of interest in respect of Indebtedness (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation,

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calculated in accordance with the effective interest method of accounting; all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing; and the net costs associated with Interest Rate Agreements) and all but the principal component of rentals in respect of Capitalized Lease Obligations paid, accrued or scheduled to be paid or accrued by such Person during such period; excluding, however, (i) any amount of such interest of any Subsidiary of such Person if the net income (or loss) of such Subsidiary is excluded in the calculation of Adjusted Consolidated Net Income for such Person pursuant to clause (iii) of the definition thereof (but only in the same proportion as the net income (or loss) of such Subsidiary is excluded from the calculation of Adjusted Consolidated Net Income for such Person pursuant to clause (iii) of the definition thereof), (ii) any premiums, fees and expenses (and any amortization thereof) payable in connection with the 1989 Mergers and the Refinancing and (iii) amortization of any other deferred financing costs, all as determined on a consolidated basis in conformity with GAAP.

"Consolidated Net Tangible Assets" is defined to mean the total amount of assets of the Company and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), except to the extent resulting from write-ups of capital assets (excluding write-ups in connection with accounting for acquisitions in conformity with GAAP), after deducting therefrom (i) all current liabilities of the Company and its consolidated Subsidiaries (excluding intercompany items) and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recently available consolidated balance sheet of the Company and its consolidated Subsidiaries prepared in conformity with GAAP.

"Consolidated Net Worth" is defined to mean, at any date of determination, stockholders' equity as set forth on the most recently available consolidated balance sheet of the Company and its consolidated Subsidiaries (which shall be as of a date not more than 60 days prior to the date of such computation), less any amounts attributable to Redeemable Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of Capital Stock of the Company or any of its Subsidiaries, each item to be determined in conformity with GAAP (excluding the effects of foreign currency exchange adjustments under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 52).

"Credit Agreement" is defined to mean the Credit Agreement dated as of December 21, 1993, among the Company, Containers, Plastics, the Banks party thereto, Bank of America, as Co-Agent, and the Bank Agent, together with the related documents thereto (including, without limitation, any Guarantees and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented, replaced or otherwise modified from time to time, including any agreement extending the maturity of, refinancing or otherwise restructuring (including, but not limited to, the inclusion of additional borrowers thereunder that are Subsidiaries of the Company whose obligations are Guaranteed by the Company thereunder and who are included as additional borrowers thereunder) all or any portion of the Indebtedness under such agreement or any successor agreement; provided that, with respect to any agreement providing for the refinancing of Indebtedness under the Credit Agreement, such agreement shall only be the Credit Agreement under the Indenture if a notice to that effect is delivered by the Company to the Trustee and there shall be at any time only one debt instrument that is the Credit Agreement under the Indenture.

"Currency Agreement" is defined to mean any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any of its Subsidiaries against fluctuations in currency values to or under which the Company or any of its Subsidiaries is a party or a beneficiary on the date of the Indenture or becomes a party or a beneficiary thereafter.

"GAAP" is defined to mean generally accepted accounting principles in the United States of America as in effect as of the date of the Indenture applied on a basis consistent with the principles, methods, procedures and practices employed in the preparation of the Company's audited financial statements, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession. All ratios and computations based on GAAP contained in the Indenture shall be computed in conformity with GAAP, except that calculations made for purposes of determining compliance with the terms of the covenants described below and other provisions of the Indenture shall be made without giving effect to (i) the amortization of any expenses incurred in connection

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with the 1989 Mergers or the Refinancing, (ii) except as otherwise provided, the amortization of any amounts required or permitted by Accounting Principles Board Opinion Nos. 16 and 17 and (iii) any charges associated with the adoption of Statement No. 106 or Statement No. 109.

"Guarantee" is defined to mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Holder" is defined to mean the registered holder of any 11-3/4% Note.

"Incur" is defined to mean, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that neither the accrual of interest (whether such interest is payable in cash or kind) nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

"Indebtedness" is defined to mean, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services, except Trade Payables, (v) all obligations of such Person as lessee under Capitalized Leases, (vi) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (a) the fair market value of such asset at such date of determination and (b) the amount of such Indebtedness, (vii) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person, (viii) all obligations of such Person in respect of borrowed money under the Credit Agreement, the Secured Notes (including the Secured Notes Purchase Agreement) and any Guarantees thereof and (ix) to the extent not otherwise included in this definition, all obligations of such Person under Currency Agreements and Interest Rate Agreements. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP.

"Interest Coverage Ratio" is defined to mean, with respect to any Person on any Transaction Date, the ratio of (i) the aggregate amount of Consolidated EBITDA of such Person for the four fiscal quarters for which financial information in respect thereof is available immediately prior to such Transaction Date to (ii) the aggregate Consolidated Interest Expense of such Person during such four fiscal quarters. In making the foregoing calculation, (a) pro forma effect shall be given to (1) any Indebtedness Incurred subsequent to the end of the four-fiscal-quarter period referred to in clause (i) and prior to the Transaction Date (other than Indebtedness Incurred under a revolving credit or similar arrangement to the extent of the commitment thereunder (or under any predecessor revolving credit or similar arrangement) on the last day of such period), (2) any Indebtedness Incurred during such period to the extent such Indebtedness is outstanding at the Transaction Date and (3) any Indebtedness to be Incurred on the Transaction Date, in each case as if such Indebtedness had been Incurred on the first day of such four-fiscal-quarter period and after giving effect to the application of the proceeds thereof; (b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the date of computation (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months) had been the

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applicable rate for the entire period; (c) there shall be excluded from Consolidated Interest Expense any Consolidated Interest Expense related to any amount of Indebtedness that was outstanding during such four-fiscal-quarter period or thereafter but which is not outstanding or which is to be repaid on the Transaction Date, except for Consolidated Interest Expense accrued (as adjusted pursuant to clause (b)) during such four-fiscal-quarter period under a revolving credit or similar arrangement to the extent of the commitment thereunder (or under any successor revolving credit or similar arrangement) on the Transaction Date; (d) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions that occur during such four-fiscal-quarter period or thereafter and prior to the Transaction Date (including any Asset Acquisition to be made with the Indebtedness Incurred pursuant to clause (i) above) as if they had occurred on the first day of such four-fiscal-quarter period; (e) with respect to any such four-fiscal-quarter period commencing prior to the Refinancing, the Refinancing shall be deemed to have taken place on the first day of such period; and (f) pro forma effect shall be given to asset dispositions and asset acquisitions that have been made by any Person that has become a Subsidiary of the Company or has been merged with or into the Company or any Subsidiary of the Company during the four-fiscal-quarter period referred to above or subsequent to such period and prior to the Transaction Date and that would have been Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Subsidiary of the Company as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such period.

"Interest Rate Agreement" is defined to mean any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement designed to protect the Company or any of its Subsidiaries against fluctuations in interest rates to or under which the Company or any of its Subsidiaries is a party or a beneficiary on the date of the Indenture or becomes a party or a beneficiary thereafter.

"Investment" is defined to mean any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of any Person or its Subsidiaries) or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, bonds, notes, debentures or other similar instruments issued by any other Person. For purposes of the definition of "Unrestricted Subsidiary" and the "Limitation on Restricted Payments" covenant described below, (i) "Investment" shall include the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary of the Company is designated an Unrestricted Subsidiary and shall exclude the fair market value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Subsidiary of the Company and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined by the Board of Directors in good faith.

"Lien" is defined to mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any security interest).

"Net Cash Proceeds" is defined to mean, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents (except to the extent such obligations are financed or sold with recourse to the Company or any Subsidiary of the Company) and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of (i) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale computed without regard to the consolidated results of operations of the Company and its Subsidiaries, taken as a whole, (iii) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (a) is secured by a Lien on the property or assets sold or (b) is required to be paid as a result of such sale and (iv) appropriate amounts to be provided by the Company or any Subsidiary of the Company as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP.

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"Person" is defined to mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" is defined to mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of preferred or preference stock of such Person which is outstanding or issued on or after the date of the Indenture, including, without limitation, the Silgan Preferred Stock.

"Redeemable Stock" is defined to mean any class or series of Capital Stock of any Person that by its terms or otherwise is (i) required to be redeemed prior to the Stated Maturity of the 11-3/4% Notes, (ii) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the 11-3/4% Notes or (iii) convertible into or exchangeable for Capital Stock referred to in clause (i) or (ii) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the 11-3/4% Notes; provided that any Capital Stock that would not constitute Redeemable Stock but for provisions thereof giving holders thereof the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or a "change of control" occurring prior to the Stated Maturity of the 11-3/4% Notes shall not constitute Redeemable Stock if the "asset sale" or "change of control" provision applicable to such Capital Stock is no more favorable to the holders of such Capital Stock than the provisions contained in the "Limitation on Asset Sales" and "Repurchase of Notes upon Change of Control" covenants described below and such Capital Stock specifically provides that the Company will not repurchase or redeem any such Capital Stock pursuant to such provisions prior to the Company's repurchase of 11-3/4% Notes required to be repurchased by the Company under the "Limitation on Asset Sales" and "Repurchase of Notes upon Change of Control" covenants described below.

"Restricted Subsidiary" is defined to mean any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Requisite Secured Noteholders" means a majority in aggregate principal amount of outstanding Secured Notes.

"Senior Subordinated Obligations" is defined to mean any principal of, premium, if any, or interest on the 11-3/4% Notes payable pursuant to the terms of the 11-3/4% Notes or upon acceleration, including any amounts received upon the exercise of rights of rescission or other rights of action (including claims for damages) or otherwise, to the extent relating to the purchase price of the 11-3/4% Notes or amounts corresponding to such principal, premium, if any, or interest on the 11-3/4% Notes.

"Shareholder Subordinated Notes" shall have the same meaning given such term in the Amended and Restated Credit Agreement (including the exhibits thereto) as in effect on the date of the Indenture.

"Significant Subsidiary" is defined to mean, at any date of determination, any Subsidiary of the Company that, together with its Subsidiaries, (i) for the most recent fiscal year of the Company, accounted for more than 10% of the consolidated revenues of the Company or (ii) as of the end of such fiscal year, was the owner of more than 10% of the consolidated assets of the Company, all as set forth on the most recently available consolidated financial statements of the Company and its consolidated Subsidiaries for such fiscal year prepared in conformity with GAAP.

"Stated Maturity" is defined to mean, with respect to any debt security or any installment of interest thereon, the date specified in such debt security as the fixed date on which any principal of such debt security or any such installment of interest is due and payable.

"Stock Based Plan" is defined to mean any stock option plan, stock appreciation rights plan or other similar plan or agreement of the Company or any Subsidiary of the Company relating to Capital Stock of Holdings, the Company or any Subsidiary of the Company established and in effect from time to time, including, without limitation, the Holdings Organization Agreement or any stock option plan, stock appreciation rights plan or other similar plan or agreement for the benefit of employees of the Company and its Subsidiaries.

"Subsidiary" is defined to mean, with respect to any Person, any corporation, association or other business entity of which more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by the Company or by one or more other Subsidiaries of the Company, or by such Person and one or more other Subsidiaries of such Person; provided that, except as the term "Subsidiary" is used in the definition of "Unrestricted Subsidiary" described below, an Unrestricted Subsidiary shall not be deemed to be a

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Subsidiary of the Company.

"Trade Payables" is defined to mean, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

"Transaction Date" is defined to mean, with respect to the Incurrence of any Indebtedness by the Company or any of its Subsidiaries, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Unrestricted Subsidiary" is defined to mean (i) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided that either (a) the Subsidiary to be so designated has total assets of $1,000 or less or (b) if such Subsidiary has assets greater than $1,000, that such designation would be permitted under the "Limitation on Restricted Payments" covenant described below. The Board of Directors may designate any Unrestricted Subsidiary to be a Subsidiary of the Company; provided that immediately after giving effect to such designation (1) the Company could Incur $1.00 of additional Indebtedness under the first paragraph in part (a) of the "Limitation on Indebtedness" covenant described below and (2) no Event of Default, or any event that is, or after the giving of notice or the passage of time or both would be, an Event of Default, shall have occurred and be continuing. Any such designation by the Board of Directors shall be evidenced to the Trustee by filing promptly with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"Voting Stock" is defined to mean, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors of such Person.

"Wholly Owned Subsidiary" is defined to mean, (i) with respect to Holdings and the Company, Plastics and Containers, and (ii) with respect to any Person, any Subsidiary of such Person if all of the Common Stock or other similar equity ownership interests (but not including Preferred Stock) in such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) is owned directly or indirectly by such Person.

Covenants

Limitation on Indebtedness

(a) So long as any of the 11-3/4% Notes are outstanding, the Company shall not Incur any Indebtedness (other than the 11-3/4% Notes, the Secured Notes (including the Secured Notes Purchase Agreement) and Indebtedness existing on the Closing Date) unless after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Interest Coverage Ratio of the Company would be greater than 2.1:1.

Notwithstanding the foregoing, the Company may Incur each and all of the following: (i) Indebtedness outstanding at any time in an aggregate principal amount not to exceed the sum of (a) the aggregate outstanding Indebtedness and unutilized commitment on the Closing Date under the Amended and Restated Credit Agreement plus (b) an aggregate amount not to exceed $85 million outstanding at any time; provided that if Indebtedness Incurred under this clause (i) is exchanged, refinanced or refunded with Indebtedness of Holdings that is Incurred under clause (v) of the second paragraph of part (a) of Section 4.03 of the Indenture relating to the Holdings Discount Debentures, the aggregate amount of Indebtedness permitted to be Incurred under this clause (i) shall be reduced by the principal amount (or, if such indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, the original issue price) of the Indebtedness issued by Holdings; (ii) Indebtedness to any Restricted Subsidiary; (iii) Indebtedness Incurred after the date of the Indenture the net proceeds of which are used to retire the Holdings Discount Debentures; provided that such Indebtedness (A) by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made subordinate in right of payment to the 11-3/4% Notes at least to the extent that the 11-3/4% Notes are subordinated to Senior Indebtedness and (B) determined as of the date of Incurrence of such Indebtedness, does

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not mature prior to the Stated Maturity of the 11-3/4% Notes, and the Average Life of such Indebtedness is greater than the remaining Average Life of the 11-3/4% Notes; (iv) Indebtedness issued in exchange for, or the net proceeds of which are used to exchange, refinance or refund, outstanding Indebtedness of the Company, other than Indebtedness Incurred under clauses (i), (v) and (x) and any refinancings thereof, in an amount (or, if such new Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, with an original issue price) not to exceed the amount so exchanged, refinanced or refunded (plus premiums, accrued interest, fees and expenses); provided that Indebtedness the proceeds of which are used to exchange, refinance or refund the 11-3/4% Notes or other Indebtedness of the Company that is subordinated in right of payment to the 11-3/4% Notes shall only be permitted under this clause (iv) if: (A) in case the 11-3/4% Notes are exchanged, refinanced or refunded in part, such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made pari passu with, or subordinate in right of payment to, the remaining 11-3/4% Notes, (B) in case the Indebtedness to be exchanged, refinanced or refunded is subordinated in right of payment to the 11-3/4% Notes, such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made subordinate in right of payment to the 11-3/4% Notes at least to the extent that the Indebtedness to be exchanged, refinanced or refunded is subordinated in right of payment to the 11-3/4% Notes and (C) in case the 11-3/4% Notes are exchanged, refinanced or refunded in part or the Indebtedness to be exchanged, refinanced or refunded is subordinated in right of payment to the 11-3/4% Notes, such Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the 11-3/4% Notes, and the Average Life of such Indebtedness is at least equal to the remaining Average Life of the 11-3/4% Notes; and provided further that in no event may Indebtedness of the Company that is pari passu with, or subordinated in right of payment to, the 11-3/4% Notes be exchanged, refinanced or refunded by means of Indebtedness of any Subsidiary of the Company pursuant to this clause (iv); (v) Indebtedness to Holdings in an aggregate amount not to exceed $30 million outstanding at any time; provided that such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made subordinate in right of payment to the 11-3/4% Notes at least to the extent that the 11-3/4% Notes are subordinated to Senior Indebtedness; (vi) in the event the Holdings Discount Debentures or any other Indebtedness of Holdings become obligations of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes), the Holdings Discount Debentures or such other Indebtedness of Holdings; (vii) Indebtedness Incurred in connection with the purchase, redemption, acquisition, cancellation or other retirement for value of shares of Capital Stock of Holdings, the Company or any Restricted Subsidiary, options on any such shares or related stock appreciation rights or similar securities held by officers or employees or former officers or employees (or their estates or beneficiaries under their estates) and which were issued pursuant to any Stock Based Plan, upon death, disability, retirement, termination of employment or pursuant to the terms of such Stock Based Plan or any other agreement under which such shares of Capital Stock, options, related rights or similar securities were issued; provided that (A) such Indebtedness (other than any Shareholder Subordinated Notes, which must be pari passu with, or subordinated in right of payment to, the 11-3/4% Notes), by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made subordinate in right of payment to the 11-3/4% Notes at least to the extent that the 11-3/4% Notes are subordinated in right of payment to Senior Indebtedness, (B) such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, provides that no payments of principal of such Indebtedness by way of sinking fund, mandatory redemption or otherwise (including defeasance) may be made by the Company (including, without limitation, at the option of the holder thereof other than an option given to a holder pursuant to an "asset sale" or a "change of control" provision that is no more favorable to the holders of such Indebtedness than the provisions contained in the "Limitation on Asset Sales" and "Repurchase of Notes upon a Change of Control" covenants and such Indebtedness specifically provides that the Company will not repurchase or redeem such Indebtedness pursuant to such provisions prior to the Company's repurchase of the 11-3/4% Notes required to be repurchased by the Company under the "Limitation on Asset Sales" and "Repurchase of Notes upon a Change of Control" covenants) at any time prior to the Stated Maturity of the 11-3/4% Notes and (C) the scheduled maturity of all principal of such Indebtedness is beyond the Stated Maturity of the 11-3/4% Notes; (viii) Indebtedness (A) in respect of performance bonds, bankers' acceptances and surety or appeal bonds provided in the ordinary course of business, (B) under Currency Agreements and Interest Rate Agreements; provided that in the case of Currency Agreements that relate to other Indebtedness, such Currency Agreements do not increase the Indebtedness of the Company outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder and (C) arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or

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performance bonds securing any obligations of the Company or any of its Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Subsidiary of the Company, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary of the Company for the purpose of financing such acquisition; (ix) Indebtedness in respect of letters of credit (other than letters of credit issued pursuant to the Credit Agreement) in an aggregate amount not to exceed $15 million outstanding at any time; and (x) Indebtedness in an aggregate amount not to exceed $10 million outstanding at any time; provided that such Indebtedness, (A) by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, is expressly made subordinate in right of payment to the 11-3/4% Notes at least to the extent that the 11-3/4% Notes are subordinated in right of payment to Senior Indebtedness, (B) determined as of the date of Incurrence of such Indebtedness, does not mature prior to the Stated Maturity of the 11-3/4% Notes, and the Average Life of such Indebtedness is greater than the remaining Average Life of the 11-3/4% Notes and (C) by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued, provides that no payments of principal of such Indebtedness by way of sinking fund, mandatory redemption or otherwise (including defeasance) may be made by the Company (including, without limitation, at the option of the holder thereof other than an option given to a holder pursuant to an "asset sale" or "change of control" provision that is no more favorable to the holders of such Indebtedness than the provisions contained in the "Limitation on Asset Sales" and "Repurchase of Notes upon a Change of Control" covenants and such Indebtedness specifically provides that the Company will not repurchase or redeem such Indebtedness pursuant to such provisions prior to the Company's repurchase of the 11-3/4% Notes required to be repurchased by the Company under the "Limitation on Asset Sales" and "Repurchase of Notes upon a Change of Control" covenants) at any time prior to the Stated Maturity of the 11-3/4% Notes.

(b) So long as any of the 11-3/4% Notes are outstanding, the Company shall not permit any Restricted Subsidiary to Incur any Indebtedness (other than Indebtedness existing on the Closing Date) other than the following: (i) Indebtedness under the Credit Agreement in an aggregate amount not to exceed the amount referred to in clause (i) of the second paragraph in part (a) of this "Limitation on Indebtedness" covenant; (ii) Guarantees of Indebtedness of the Company and other Restricted Subsidiaries under (A) the Credit Agreement and (B) the Secured Notes; (iii) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance or refund outstanding Indebtedness (including the amount of any undrawn commitments) of a Restricted Subsidiary, other than Indebtedness Incurred under clause (i) of this part (b) and any refinancings thereof, in an amount (or, if such new Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, the original issue price) not to exceed the amount so exchanged, refinanced or refunded (plus premiums, accrued interest, fees and expenses); (iv) Indebtedness to the Company or to another Restricted Subsidiary; and (v) Indebtedness of the type permitted to be Incurred by the Company pursuant to clauses (viii) and (ix) of the second paragraph in part (a) of this "Limitation on Indebtedness" covenant; provided that, in the case of clause (i) in this part (b) and this clause (v), the Company would be permitted to Incur such Indebtedness at the time thereunder after giving effect to subclause (C) in part (c) of this "Limitation on Indebtedness" covenant.

(c) For purposes of determining any particular amount of Indebtedness under this "Limitation on Indebtedness" covenant, (i) Indebtedness Incurred pursuant to the Amended and Restated Credit Agreement prior to or on the Closing Date shall be treated as Incurred pursuant to clause (i) of the second paragraph in part (a) of this "Limitation on Indebtedness" covenant and (ii) Guarantees of, or obligations with respect to letters of credit supporting, Indebtedness otherwise included in the determination of such particular amount shall not be included. For purposes of determining compliance with this "Limitation on Indebtedness" covenant, (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in the above clauses, the Company, in its sole discretion, shall classify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of such clauses, (B) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in conformity with GAAP and (C) Indebtedness Incurred pursuant to clause (i) or (v) in part (b) of this "Limitation on Indebtedness" covenant shall be treated as having been Incurred by the Company pursuant to the applicable clause in part (a) of this "Limitation on Indebtedness" covenant for purposes of determining the remaining availability thereunder. (Section 4.03)

Limitation on Restricted Payments

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So long as any of the 11-3/4% Notes are outstanding, the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, (i) declare or pay any dividend or make any distribution on its Capital Stock (other than dividends or distributions payable solely in shares of its or such Restricted Subsidiary's Capital Stock (other than Redeemable Stock) of the same class held by such holders or in options, warrants or other rights to acquire such shares of Capital Stock) held by Persons other than the Company or another Restricted Subsidiary, (ii) purchase, redeem, retire or otherwise acquire for value, any shares of Capital Stock of the Company, any Restricted Subsidiary or any Unrestricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) held by Persons other than the Company or another Restricted Subsidiary, (iii) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance or other acquisition or retirement for value, of Indebtedness of the Company that is subordinated in right of payment to the 11-3/4% Notes or (iv) make any Investment in any Affiliate (other than the Company or a Restricted Subsidiary) or Unrestricted Subsidiary (such payments or any other actions described in clauses (i) through (iv) being collectively "Restricted Payments") if at the time of and after giving effect to the proposed Restricted Payment: (a) an Event of Default or event that, after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing, (b) the Company could not Incur at least $1.00 of Indebtedness under the first paragraph in part (a) of the "Limitation on Indebtedness" covenant or (c) the aggregate amount expended for all Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board Resolution) after the date of the Indenture (other than any Restricted Payments described in clauses (ii), (iv), (v) (other than subclause (A)), (vi), (vii), (xiii) and (xiv) of the second paragraph of this "Limitation on Restricted Payments" covenant) shall exceed the sum of (1) 50% of the aggregate amount of Adjusted Consolidated Net Income (or, if Adjusted Consolidated Net Income is a loss, minus 100% of such amount) of the Company (determined by excluding income resulting from the transfers of assets received by the Company or a Restricted Subsidiary from an Unrestricted Subsidiary) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the month immediately following the Closing Date and ending on the last day of the last fiscal quarter preceding the Transaction Date plus (2) the aggregate net proceeds (including the fair market value of noncash proceeds, as determined in good faith by the Board of Directors) received by the Company from the issuance and sale permitted by the Indenture of its Capital Stock to any Person other than a Subsidiary of the Company (not including Redeemable Stock), including an issuance or sale permitted by the Indenture for cash or other property upon the conversion of any Indebtedness of the Company subsequent to the Closing Date, or from the issuance of any options, warrants or other rights to acquire Capital Stock of the Company (in each case, exclusive of any Redeemable Stock or any options, warrants or other rights that are redeemable at the option of the holder, or are required to be redeemed, prior to the Stated Maturity of the 11-3/4% Notes) plus (3) an amount equal to the net reduction in Investments in Unrestricted Subsidiaries resulting from payments of interest on Indebtedness, dividends, repayments of loans or advances, or other transfers of assets, in each case to the Company or any Restricted Subsidiary from Unrestricted Subsidiaries, or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investments"), not to exceed in the case of any Unrestricted Subsidiary the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary plus (4) $13 million.

The foregoing provision shall not be violated by reason of: (i) the payment of any dividend within 60 days after the date of declaration thereof if, at the date of declaration, such payment would comply with the foregoing provision; (ii) the declaration and payment of dividends (or the making of loans or advances) to Holdings for the purpose of and in an amount not to exceed the amount necessary for the payment in cash of the interest expense on outstanding Holdings Discount Debentures as such interest becomes due and payable; (iii) in the event the Holdings Discount Debentures become obligations of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes), the voluntary or optional principal payment, or the redemption, repurchase, defeasance or other acquisition or retirement for value, of the Holdings Discount Debentures prior to their Stated Maturity; provided that, at the time of the redemption, repurchase, defeasance, acquisition or retirement thereof, the Interest Coverage Ratio of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) would be greater than 1.75:1; (iv) (A) the declaration and payment in cash of stated dividends on the Preferred Stock and the Containers Mirror Preferred Stock and Plastics Mirror Preferred Stock (each as defined in the Amended and Restated Credit Agreement) and (B) the redemption, repurchase or other acquisition for value of Preferred Stock, Containers Mirror Preferred Stock and Plastics Mirror Preferred Stock, in each case in connection with the

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Refinancing; (v) the declaration and payment of dividends (or the making of loans or advances) to Holdings (A) for the redemption, repurchase, defeasance or other acquisition or retirement for value of the Holdings Discount Debentures prior to their Stated Maturity; provided that, at the time of the declaration thereof, the Interest Coverage Ratio of the Company would be greater than 1.75:1, (B) in an aggregate amount not to exceed $2 million per annum for reasonable expenses (including all reasonable professional fees and expenses in connection with market making activities in the Holdings Discount Debentures or complying with its reporting obligations or as may be required by law) incurred in the ordinary course of business and (C) in an amount not to exceed the amount necessary for the payment of any liability of the Company in connection with federal, state, local or foreign taxes; (vi) the making of Investments in an Unrestricted Subsidiary in an aggregate amount not to exceed $10 million outstanding at any time; provided that the aggregate amount of Investments in all of the Unrestricted Subsidiaries does not exceed $30 million outstanding at any time; (vii) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the 11-3/4% Notes, including premium, if any, and accrued and unpaid interest, with the proceeds of Indebtedness Incurred under clauses (iii), (iv) and (x) of the second paragraph in part (a) of the "Limitation on Indebtedness" covenant; (viii) the declaration and payment of dividends on the Common Stock of the Company, following an initial public offering of the Common Stock of the Company, of up to 6% per annum of the net proceeds received by the Company in such initial public offering; (ix) the purchase, redemption, acquisition, cancellation or other retirement for value of shares of Capital Stock of Holdings, the Company or any Restricted Subsidiary, options on any such shares or related stock appreciation rights or similar securities held by officers or employees or former officers or employees (or their estates or beneficiaries under their estates) and which were issued pursuant to any Stock Based Plan, upon death, disability, retirement, termination of employment or pursuant to the terms of such Stock Based Plan or any other agreement under which such shares of Capital Stock, options, related rights or similar securities were issued; provided that the aggregate cash consideration paid for such purchase, redemption, acquisition, cancellation or other retirement for value of such shares of Capital Stock, options, related rights or similar securities after the date of the Indenture does not exceed $13 million and that any additional consideration in excess of such $13 million is in the form of Indebtedness that would be permitted to be Incurred under clause (vii) of the second paragraph in part (a) of the "Limitation on Indebtedness" covenant; (x) the repurchase of Common Stock of the Company followed immediately by the reissuance thereof for consideration in an amount at least equal to the consideration paid to acquire such stock, or the redemption, repurchase or other acquisition for value of Capital Stock of the Company or any Subsidiary of the Company in exchange for, or with the proceeds of a substantially concurrent offering of, other shares of the Capital Stock of such entity (other than Redeemable Stock); (xi) the acquisition of Indebtedness of the Company that is subordinated in right of payment to the 11-3/4% Notes in exchange for, or out of the proceeds of a substantially concurrent issuance of, shares of the Capital Stock of the Company (other than Redeemable Stock); (xii) payments or distributions pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company; (xiii) the repayment prior to August 31, 1992 of advances or loans from Holdings in order to allow Holdings to pay interest on and redeem Holdings Reset Debentures in connection with the Refinancing; or (xiv) the declaration and payment of dividends (or the making of loans and advances) to Holdings for the redemption, repurchase, defeasance or other acquisition or retirement for value of the Holdings Reset Debentures in connection with the Refinancing; provided that, in the case of clauses (ii), (iii), (v) (other than subclause (C)), (vi), (viii), (ix), (xii), (xiii) and (xiv), no Event of Default, or event that through the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing or shall occur as a consequence thereof. (Section 4.04)

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

So long as any of the 11-3/4% Notes are outstanding, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions permitted by applicable law on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary, (ii) pay any Indebtedness owed to the Company or any other Restricted Subsidiary, (iii) make loans or advances to the Company or any other Restricted Subsidiary or (iv) transfer, subject to certain exceptions, any of its property or assets to the Company or any other Restricted Subsidiary.

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This covenant shall not restrict or prohibit any encumbrances or restrictions existing: (i) in the Credit Agreement, the Secured Notes (including the Secured Notes Purchase Agreement) or any other agreements in effect on the Closing Date, including extensions, refinancings, renewals or replacements thereof; provided that the encumbrances and restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced; (ii) in the event the Holdings Discount Debentures become obligations of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes), in the Holdings Discount Debentures; (iii) under or by reason of applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances); (iv) under any other agreement providing for the Incurrence of Indebtedness; provided that the encumbrances and restrictions in any such agreement are no less favorable in any material respect to the Holders than those encumbrances and restrictions contained in the Credit Agreement as of the Closing Date; (v) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary and existing at the time of such acquisition, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired; (vi) in the case of clause (iv) of the first paragraph of this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant, (A) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset, (B) by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (C) arising or agreed to in the ordinary course of business and that do not, individually or in the aggregate, detract from the value of the property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or such Restricted Subsidiary; or (vii) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary. Nothing contained in this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant shall prevent the Company or any Restricted Subsidiary from (1) entering into any agreement permitting the incurrence of Liens otherwise permitted under the Indenture or (2) restricting the sale or other disposition of property or assets of the Company or any of its Subsidiaries that secure Indebtedness of the Company or any of its Subsidiaries. (Section 4.05)

Limitation on Senior Subordinated Indebtedness

So long as any of the 11-3/4% Notes are outstanding, the Company will not Incur any Indebtedness, other than the 11-3/4% Notes, that is expressly made subordinate in right of payment to any Senior Indebtedness unless such Indebtedness is either pari passu with, or subordinate in right of payment to, the 11-3/4% Notes pursuant to provisions substantially similar to those contained in Article Ten of the Indenture; provided, however, that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of any Liens or Guarantees arising or created in respect of some but not all Senior Indebtedness or by reason of intercreditor agreements between (i) the holders of the Secured Notes and the Banks or (ii) the Banks and/or the holders of the Secured Notes, on the one hand, and the holders of or representatives for other Senior Indebtedness, the proceeds of which other Senior Indebtedness are used to refinance Indebtedness under the Credit Agreement and/or the Secured Notes, on the other hand. (Section 4.06)

Limitation on Transactions with Shareholders and Affiliates

So long as any of the 11-3/4% Notes are outstanding, the Company will not, and will not permit any Subsidiary of the Company to, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Company (other than Holdings and the Bank Agent or any of its Affiliates) or any Subsidiary of the Company or with any Affiliate of the Company (other than Holdings) or any Subsidiary of the Company, except upon fair and reasonable terms no less favorable to the Company or such Subsidiary of the Company than could be obtained in a comparable arm's-length transaction with a Person that is not such a holder or an Affiliate.

The foregoing limitation does not limit, and shall not apply to: (i) any transaction between the Company and any Subsidiary of the Company or between Subsidiaries of the Company; (ii) transactions (A) for which the Company or any Subsidiary of the Company delivers to the Trustee a written opinion of a nationally recognized investment banking firm stating that the transaction is

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fair to the Company or such Subsidiary of the Company from a financial point of view or (B) approved by a majority of the disinterested members of the Board of Directors; (iii) the payment of fees pursuant to the Management Agreements or pursuant to any similar management contracts entered into by the Company or any Subsidiary of the Company; (iv) the payment of reasonable and customary regular fees to directors of the Company or any Subsidiary of the Company who are not employees of the Company or such Subsidiary of the Company; (v) any payments or other transactions pursuant to any tax-sharing agreement between the Company and Holdings or any other Person with which the Company is required or permitted to file a consolidated tax return or with which the Company is or could be part of a consolidated group for tax purposes; (vi) any Restricted Payments not prohibited by the "Limitation on Restricted Payments" covenant; (vii) the payment of fees to Morgan Stanley, S&H or their respective Affiliates for financial, advisory, consulting or investment banking services that the Board of Directors deems to be advisable or appropriate for the Company or any Subsidiary of the Company to obtain (including the payment to Morgan Stanley of any underwriting discounts or commissions or placement agency fees) in connection with the issuance and sale of any securities by the Company or any Subsidiary of the Company; or (viii) any transaction contemplated by any of the Stock Based Plans. (Section 4.07)

Limitation on the Issuance of Capital Stock of Restricted Subsidiaries

So long as any 11-3/4% Notes are outstanding, the Company will not permit any Restricted Subsidiary to, directly or indirectly, issue or sell any shares of its Capital Stock (including options, warrants or other rights to purchase shares of such Capital Stock) except (i) to the Company or another Restricted Subsidiary that is a Wholly Owned Subsidiary of the Company, (ii) pursuant to options on such Capital Stock granted to officers and directors of such Restricted Subsidiary, (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary or (iv) in connection with an initial public offering of the Common Stock of such Restricted Subsidiary; provided that, within 12 months after the date the Net Cash Proceeds of such initial public offering are received by such Restricted Subsidiary, such Restricted Subsidiary shall (a) apply an amount equal to such Net Cash Proceeds to repay Senior Indebtedness or Indebtedness of such Restricted Subsidiary, in each case owing to a Person other than the Company or any of its Subsidiaries, (b) apply an amount equal to such Net Cash Proceeds to the repurchase of Indebtedness pursuant to mandatory repurchase or repayment provisions applicable to such Indebtedness or (c) invest an equal amount, or the amount not so applied pursuant to subclause (a) (or enter into a definitive agreement committing to so invest within 12 months of the date of such agreement), in property or assets that (as determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board Resolution) are of a nature or type or are used in a business (or in a company having property and assets of a nature or type, or engaged in a business) similar or related to the nature or type of the property and assets of, or to the business of, any Restricted Subsidiary and its Subsidiaries existing on the date thereof. (Section 4.08).

Repurchase of 11-3/4% Notes upon Change of Control

(a) In the event of a Change in Control, each Holder shall have the right to require the repurchase of its 11-3/4% Notes by the Company in cash pursuant to the offer described below (the "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof, plus accrued interest (if any) to the date of purchase (the "Change of Control Payment"). Prior to the mailing of the notice to Holders provided for in the succeeding paragraph, but in any event within 30 days following any Change of Control, the Company covenants to (i) repay in full all Indebtedness under the Credit Agreement and the Secured Notes, or to offer to repay in full all such Indebtedness and to repay the Indebtedness of each Bank and each holder of Secured Notes who has accepted such offer or (ii) obtain the requisite consents under the Credit Agreement and the Secured Notes to permit the repurchase of the 11-3/4% Notes as provided for in the succeeding paragraph. The Company shall first comply with the covenant in the preceding sentence before it shall be required to repurchase 11-3/4% Notes pursuant to this "Repurchase of Notes upon Change of Control" covenant.

(b) Within 30 days of the Change of Control, the Company shall mail a notice to the Trustee and each Holder stating: (i) that a Change of Control has occurred, that the Change of Control Offer is being made pursuant to this "Repurchase of Notes upon Change of Control" covenant and that all 11-3/4% Notes validly tendered will be accepted for payment; (ii) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date"); (iii) that any 11-3/4% Note not tendered will continue to accrue interest; (iv) that, unless the Company defaults in the payment of the Change of Control Payment, any 11-3/4% Note accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date; (v) that Holders electing

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to have any 11-3/4% Note purchased pursuant to the Change of Control Offer will be required to surrender such 11-3/4% Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of such 11-3/4% Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Change of Control Payment Date; (vi) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of 11-3/4% Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such 11-3/4% Notes purchased; and (vii) that Holders whose 11-3/4% Notes are being purchased only in part will be issued new 11-3/4% Notes equal in principal amount to the unpurchased portion of the 11-3/4% Notes surrendered; provided that each 11-3/4% Note purchased and each new 11-3/4% Note issued shall be in an original principal amount of $1,000 or integral multiples thereof.

(c) On the Change of Control Payment Date, the Company shall: (i) accept for payment 11-3/4% Notes or portions thereof tendered pursuant to the Change of Control Offer; (ii) deposit with the Paying Agent money sufficient to pay the purchase price of all 11-3/4% Notes or portions thereof so accepted; and (iii) deliver, or cause to be delivered, to the Trustee, all 11-3/4% Notes or portions thereof so accepted together with an Officers' Certificate specifying the 11-3/4% Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail, to the Holders of 11-3/4% Notes so accepted, payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new 11-3/4% Note equal in principal amount to any unpurchased portion of the 11-3/4% Notes surrendered; provided that each 11-3/4% Note purchased and each new 11-3/4% Note issued shall be in an original principal amount of $1,000 or integral multiples thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date. For purposes of this "Repurchase of 11-3/4% Notes upon Change of Control" covenant, the Trustee shall act as Paying Agent.

(d) The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in the event that a Change of Control occurs under this "Repurchase of 11-3/4% Notes upon Change of Control" covenant and the Company is required to repurchase 11-3/4% Notes as described above. (Section 4.09)

Limitation on Asset Sales

(a) In the event and to the extent that the Net Cash Proceeds received by the Company or any Restricted Subsidiary from one or more Asset Sales occurring on or after the Closing Date in any period of 12 consecutive months (other than Asset Sales by the Company or any Restricted Subsidiary to the Company or another Restricted Subsidiary) exceed 15% of Consolidated Net Tangible Assets in any one fiscal year (determined as of the date closest to the commencement of such 12-month period for which a consolidated balance sheet of the Company and its Subsidiaries has been prepared), then the Company shall, or shall cause such Restricted Subsidiary to, (i) within 12 months after the date Net Cash Proceeds so received exceed 15% of Consolidated Net Tangible Assets in any one fiscal year (determined as of the date closest to the commencement of such 12-month period for which a consolidated balance sheet of the Company and its Subsidiaries has been prepared) (A) apply an amount equal to such excess Net Cash Proceeds to repay Senior Indebtedness or repay Indebtedness of such Restricted Subsidiary, in each case owing to a Person other than the Company or any of its Subsidiaries or (B) invest an equal amount, or the amount not so applied pursuant to subclause (A) (or enter into a definitive agreement committing to so invest within 12 months of the date of such agreement), in property or assets that (as determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board Resolution) are of a nature or type or are used in a business (or in a company having property and assets of a nature or type, or engaged in a business) similar or related to the nature or type of the property and assets of, or to the business of, the Company and its Subsidiaries existing on the date thereof and (ii) apply such excess Net Cash Proceeds (to the extent not applied pursuant to clause (i)) as provided in the following paragraphs of this "Limitation on Asset Sales" covenant. The amount of such excess Net Cash Proceeds required to be applied (or to be committed to be applied) during such 12-month period as set forth in subclause (A) or (B) of the preceding sentence and not applied as so required by the end of such period shall constitute "Excess Proceeds."

(b) If, as of the first day of any calendar month, the aggregate amount of Excess Proceeds not theretofore subject to an Excess Proceeds Offer (as defined below) totals at least $5 million, the Company must, not later than the fifteenth Business Day of such month, make an offer (an "Excess Proceeds Offer") to purchase from the Holders on a pro rata basis an aggregate principal amount of 11-3/4% Notes equal to the Excess Proceeds on such date,

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at a purchase price equal to 101% of the principal amount thereof, plus accrued interest (if any) to the date of purchase (the "Excess Proceeds Payment"); provided, however, that no Excess Proceeds Offer shall be required to be commenced with respect to the 11-3/4% Notes until the Business Day following the date that payments are made pursuant to a similar offer that is made to holders of the Secured Notes with respect to the Secured Notes and need not be commenced if the Excess Proceeds remaining after application to the Secured Notes purchased in the offer made to the holders of the Secured Notes are less than $5 million; and provided further, however, that no 11-3/4% Notes may be purchased under this "Limitation on Asset Sales" covenant unless the Company shall have purchased all Secured Notes tendered pursuant to the offer applicable thereto.

(c) The Company shall commence an Excess Proceeds Offer by mailing a notice to the Trustee and each Holder stating: (i) that the Excess Proceeds Offer is being made pursuant to this "Limitation on Asset Sales" covenant and that all 11-3/4% Notes validly tendered will be accepted for payment on a pro rata basis; (ii) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Excess Proceeds Payment Date"); (iii) that any 11-3/4% Note not tendered will continue to accrue interest; (iv) that, unless the Company defaults in the payment of the Excess Proceeds Payment, any 11-3/4% Note accepted for payment pursuant to the Excess Proceeds Offer shall cease to accrue interest after the Excess Proceeds Payment Date; (v) that Holders electing to have any 11-3/4% Note purchased pursuant to the Excess Proceeds Offer will be required to surrender such 11-3/4% Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of such 11-3/4% Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Excess Proceeds Payment Date; (vi) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Excess Proceeds Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of 11-3/4% Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such 11-3/4% Notes purchased; and (vii) that Holders whose 11-3/4% Notes are being purchased only in part will be issued new 11-3/4% Notes equal in principal amount to the unpurchased portion of the 11-3/4% Notes surrendered; provided that each 11-3/4% Note purchased and each new 11-3/4% Note issued shall be in an original principal amount of $1,000 or integral multiples thereof.

(d) On the Excess Proceeds Payment Date, the Company shall: (i) accept for payment on a pro rata basis 11-3/4% Notes or portions thereof tendered pursuant to the Excess Proceeds Offer; (ii) deposit with the Paying Agent money sufficient to pay the purchase price of all 11-3/4% Notes or portions thereof so accepted; and (iii) deliver, or cause to be delivered, to the Trustee, all 11-3/4% Notes or portions thereof so accepted, together with an Officers' Certificate specifying the 11-3/4% Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders of 11-3/4% Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new 11-3/4% Note equal in principal amount to any unpurchased portion of the 11-3/4% Note surrendered; provided that each 11-3/4% Note purchased and each new 11-3/4% Note issued shall be in an original principal amount of $1,000 or integral multiples thereof. The Company will publicly announce the results of the Excess Proceeds Offer as soon as practicable after the Excess Proceeds Payment Date. For purposes of this "Limitation on Asset Sales" covenant, the Trustee shall act as the Paying Agent.

(e) The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in the event that such Excess Proceeds are received by the Company under this "Limitation on Asset Sales" covenant and the Company is required to repurchase 11-3/4% Notes as described above. (Section 4.10)

Events of Default

An "Event of Default" occurs with respect to the 11-3/4% Notes if: (i) the Company defaults in the payment of principal of (or premium, if any, on) any Note when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, whether or not such payment is prohibited by the subordination provisions of the Indenture; (ii) the Company defaults in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 days, whether or not such payment is prohibited by the subordination provisions of the Indenture; (iii) the Company defaults in the performance of or breaches any other covenant or agreement of the Company in the Indenture or under the 11-3/4% Notes, and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the 11-3/4% Notes; (iv) there occurs with respect to any issue or issues of Indebtedness of the Company and/or any

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Significant Subsidiary having an outstanding principal amount of $5 million or more individually or $10 million or more in the aggregate for all such issues of the Company and/or any Significant Subsidiary, whether such Indebtedness now exists or shall hereafter be created, an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and such Indebtedness has not been discharged in full or such acceleration has not been rescinded or annulled within 30 days of such acceleration; (v) any final judgment or order (not covered by insurance) for the payment of money in excess of $5 million individually or $10 million or more in the aggregate for all such final judgments or orders against all such Persons (treating any deductibles, self-insurance or retention as not so covered) shall be rendered against the Company or any Significant Subsidiary and shall not be discharged, and there shall be any period of 60 consecutive days following entry of the final judgment or order in excess of $5 million individually or that causes the aggregate amount for all such final judgments or orders outstanding against all such Persons to exceed $10 million during which a stay of enforcement of such final judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; (vi) a court having jurisdiction in the premises enters a decree or order for (a) relief in respect of the Company or any Significant Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (b) appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Subsidiary or (c) the winding up or liquidation of the affairs of the Company or any Significant Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; (vii) the Company or any Significant Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Subsidiary or (c) effects any general assignment for the benefit of creditors; (viii) the Company and/or one or more Significant Subsidiaries fails to make (a) at the final (but not any interim) fixed maturity of any issue of Indebtedness a principal payment of $5 million or more or (b) at the final (but not any interim) fixed maturity of more than one issue of such Indebtedness principal payments aggregating $10 million or more and, in the case of clause (a), such defaulted payment shall not have been made, waived or extended within 30 days of the payment default and, in the case of clause (b), all such defaulted payments shall not have been made, waived or extended within 30 days of the payment default that causes the amount described in clause (b) to exceed $10 million; or (ix) there occurs the nonpayment of any two or more items of Indebtedness that would constitute at the time of such nonpayments, but for the individual amounts of such Indebtedness, an Event of Default under clause (iv) or clause (viii) above, or both, and which items of Indebtedness aggregate $10 million or more. (Section 6.01)

If an Event of Default (other than an Event of Default specified in clause (vi) or (vii) above that occurs with respect to the Company) occurs and is continuing under the Indenture, the Trustee thereunder or the Holders of at least 25% of the aggregate principal amount of the 11-3/4% Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders (the "Acceleration Notice")), may, and the Trustee at the request of the Holders of at least 25% in aggregate principal amount of the 11-3/4% Notes then outstanding shall, declare the entire unpaid principal of, premium, if any, and accrued interest on the 11-3/4% Notes to be immediately due and payable. Upon a declaration of acceleration, such principal, premium, if any, and accrued interest shall be immediately due and payable; provided that, for so long as the Credit Agreement is in effect or any Secured Notes are outstanding, such declaration shall not become effective until the earlier of (i) five Business Days after receipt of the Acceleration Notice by the Bank Agent, the Company and the agent for the holders of the Secured Notes (which shall be the Bank Agent unless and until the holders of a majority in principal amount of Secured Notes designate another agent in writing to the Company and the Trustee) or (ii) acceleration of the Indebtedness under the Credit Agreement or the Secured Notes; and provided further that such acceleration shall automatically be rescinded and annulled without any further action required on the part of the Holders in the event that any and all Events of Default specified in the Acceleration Notice under the Indenture shall have been cured, waived or otherwise remedied as provided in the Indenture prior to the expiration of the period referred to in the preceding clauses (i) and (ii). In the event of a declaration of acceleration because an Event of Default set forth in clause (iv), (viii) or (ix) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (iv), (viii) or (ix) shall be remedied, cured by the Company and/or such Significant Subsidiary or waived by the holders of the relevant Indebtedness within 60

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days after the declaration of acceleration with respect thereto. If an Event of Default specified in clause (vi) or (vii) above occurs with respect to the Company, all unpaid principal of, premium, if any, and accrued interest on the 11-3/4% Notes then outstanding shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of at least a majority in principal amount of the outstanding 11-3/4% Notes, by written notice to the Company and to the Trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if (i) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the 11-3/4% Notes that have become due solely by such declaration of acceleration, have been cured or waived and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. (Sections 6.02 and 6.04) For information as to the waiver of defaults, see "- - -Modification and Waiver."

The Holders of at least a majority in aggregate principal amount of the outstanding 11-3/4% Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that the Trustee is advised by counsel conflicts with law or the Indenture, that may involve the Trustee in personal liability or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction. (Section 6.05) A Holder may not pursue any remedy with respect to the Indenture or the 11-3/4% Notes unless: (i) the Holder gives to the Trustee written notice of a continuing Event of Default; (ii) the Holders of at least 25% in aggregate principal amount of outstanding 11-3/4% Notes make a written request to the Trustee to pursue the remedy; (iii) such Holder or Holders offer to the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense; (iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and (v) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding 11-3/4% Notes do not give the Trustee a direction that is inconsistent with the request. (Section 6.06) However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on its 11-3/4% Notes, or to bring suit for the enforcement of any such payment, on or after the respective due dates expressed in its 11-3/4% Notes, which rights shall not be impaired or affected without the consent of the Holder. (Section 6.07)

The Indenture requires certain officers of the Company to certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Subsidiaries and the Company's and its Subsidiaries' performance under the Indenture and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company is also obligated to notify the Trustee of any default or defaults in the performance of any covenants or agreements under the Indenture. (Section 4.15)

Consolidation, Merger and Sale of Assets

The Company shall not consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions) to, any Person (other than a Restricted Subsidiary that is a Wholly Owned Subsidiary of the Company with a positive net worth; provided that, in connection with any merger of the Company with any Restricted Subsidiary that is a Wholly Owned Subsidiary of the Company, no consideration (other than common stock in the surviving Person or the Company) shall be issued or distributed to the stockholders of the Company) or permit any Person to merge with or into the Company, unless: (i) the Company shall be the continuing Person, or the Person (if other than the Company) formed by such consolidation or into which the Company is merged or that acquired or leased such property and assets of the Company shall be a corporation organized and validly existing under the laws of the United States of America or any jurisdiction thereof and shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company on all of the 11-3/4% Notes and under the Indenture; (ii) immediately after giving effect to such transaction, no Event of Default, and no event that after the giving of notice or lapse of time or both will become an Event of Default, shall have occurred and be continuing; (iii) immediately after giving effect to such transaction on a pro forma basis, the Interest Coverage Ratio of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) is at least 1:1; provided that if the Interest Coverage Ratio of the Company before giving effect to such transaction is within the range set forth in column (A) below, then the Interest Coverage Ratio of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) shall be at least equal to the lesser of (1) the ratio determined by multiplying the percentage set forth in column (B) below by the Interest Coverage Ratio of the Company

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prior to such transaction and (2) the ratio set forth in column (C) below:

(A)	(B)	(C)
1.11:1 to 1.99:1	90%	1.5:1
2.00:1 to 2.99:1	80%	2.1:1
3.00:1 to 3.99:1	70%	2.4:1
4.00:1 or more	60%	2.5:1

and provided further that, if the Interest Coverage Ratio of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) is 3:1 or more, the calculation in the preceding proviso shall be inapplicable and such transaction shall be deemed to have complied with the requirements of this clause (iii); (iv) immediately after giving effect to such transaction on a pro forma basis, the Company (or any Person that becomes the successor obligor on the 11-3/4% Notes) shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction; and (v) the Company delivers to the Trustee an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (iii) and (iv)) and an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture comply with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; provided, however, that clause (iv) of this covenant (A) does not apply to, and the Interest Coverage Ratio required by clause (iii) of this "Consolidation, Merger and Sale of Assets" covenant shall be 1.75:1 with respect to, any consolidation of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) with, or merger of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) with or into, or any sale, conveyance, transfer, lease or other disposition of all or substantially all of the property and assets of the Company (or any Person becoming the successor obligor on the 11-3/4% Notes) or Holdings (or its successor) to, Holdings (or its successor) or the Company (or any Person becoming the successor obligor on the 11-3/4% Notes), as the case may be, or (B) does not apply if, in the good faith determination of the Board of Directors, whose determination shall be evidenced by a Board Resolution, the principal purpose of such transaction is to change the state of incorporation of the Company; and provided further, however, that any such transaction shall not have as one of its purposes the evasion of the limitations of this covenant. (Section 5.01)

Defeasance

Defeasance and Discharge. The Indenture provides that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the 11-3/4% Notes on the 123rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the 11-3/4% Notes (except for, among other matters, certain obligations to register the transfer or exchange of the 11-3/4% Notes, to replace stolen, lost or mutilated 11-3/4% Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things, (A) the Company has deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the 11-3/4% Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the 11-3/4% Notes, (B) the Company has delivered to the Trustee (i) either an Opinion of Counsel to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of its option under this "Defeasance" provision and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred, which Opinion of Counsel must be accompanied by a ruling of the Internal Revenue Service to the same effect or a change in applicable federal income tax law after the date of the Indenture or a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (ii) an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the Investment Company Act of 1940 and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law, (C) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 123rd day after the date of such deposit, and such deposit shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which the Company is bound, (D) the Company is not prohibited from making payments in respect of the 11-3/4% Notes by the provisions described under "--Subordination," above and (E) if at such time the 11-3/4% Notes are listed on a national securities exchange, the Company has delivered to the Trustee an

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Opinion of Counsel to the effect that the 11-3/4% Notes will not be delisted as a result of such deposit, defeasance and discharge. (Section 8.02)

Defeasance of Certain Covenants and Certain Events of Default. The Indenture further provides that the provisions of the Indenture will no longer be in effect with respect to clauses (iii) and (iv) under "--Consolidation, Merger and Sale of Assets" and all the covenants described herein under "--Covenants," clause (iii) under "--Events of Default" with respect to such covenants and clauses (iii) and (iv) under "--Consolidation, Merger and Sale of Assets," and clauses (iv), (v) and (viii) under "--Events of Default" shall be deemed not to be Events of Default, and the provisions described herein under "--Subordination" shall not apply, upon, among other things, the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the 11-3/4% Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the 11-3/4% Note, the satisfaction of the provisions described in clauses (B)(ii), (C), (D) and (E) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel to the effect that, among other things, the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. (Section 8.03)

Defeasance and Certain Other Events of Default. In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the 11-3/4% Notes as described in the immediately preceding paragraph and the 11-3/4% Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the 11-3/4% Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the 11-3/4% Notes at the time of the acceleration resulting from such Event of Default. However, the Company shall remain liable for such payments.

The Credit Agreement and the Secured Notes each contain a covenant prohibiting defeasance of the 11-3/4% Notes. See "Description of Certain Indebtedness--Description of the Credit Agreement" and "--Description of the Secured Notes."

Modification and Waiver

Modifications and amendments of the Indenture may be made by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding 11-3/4% Notes; provided, however, that no such modification or amendment may, without the consent of each Holder affected thereby, (i) change the Stated Maturity of the principal of, or any installment of interest on, any 11-3/4% Note, (ii) reduce the principal amount of, premium, if any, or interest on, any 11-3/4% Note, (iii) change the place or currency of payment of principal of, premium, if any, or interest on, any 11-3/4% Note, (iv) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the Redemption Date) of any 11-3/4% Note, (v) modify the subordination provisions in a manner adverse to the Holders, (vi) reduce the above-stated percentage of outstanding 11-3/4% Notes the consent of whose Holders is necessary to modify or amend the Indenture, (vii) waive a default in the payment of principal of, premium, if any, or interest on the 11-3/4% Notes or (viii) reduce the percentage of aggregate principal amount of outstanding 11-3/4% Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults. (Section 9.02)

The Holders of a majority in aggregate principal amount of the outstanding 11-3/4% Notes may waive compliance by the Company with certain restrictive provisions of the Indenture. (Section 9.02)

The Credit Agreement and the Secured Notes each contain a covenant prohibiting the Company from consenting to any modification of the Indenture or waiver of any provision thereof without the consent of a specified percentage of the lenders under the Credit Agreement and the holders of the Secured Notes. See "Description of Certain Indebtedness--Description of the Credit Agreement" and "--Description of the Secured Notes."

No Personal Liability of Incorporators, Shareholders, Officers, Directors or Employees

The Indenture provides that no recourse for the payment of the principal of, premium, if any, or interest on any of the 11-3/4% Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or

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upon any obligation, covenant or agreement of the Company contained in the Indenture or in any of the 11-3/4% Notes, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, or past, present or future shareholder, officer, director, employee or controlling person of the Company or of any successor thereof. Each Holder, by accepting such Note, waives and releases all such liability. (Section 11.09)

Concerning the Trustee

Shawmut Bank, N.A. acts as Trustee under the Indenture.

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee will exercise such rights and powers vested in it under such Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. (Section 7.01)

The provisions of the Trust Indenture Act of 1939, as amended, incorporated by reference in the Indenture contain limitations on the rights of the Trustee thereunder, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; provided, however, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain federal income tax considerations relevant to the purchase, ownership and disposition of the 11-3/4% Notes but does not purport to be a complete analysis of all the potential tax effects of such purchase, ownership and disposition. This summary is based upon the Code, Treasury regulations, proposed regulations, IRS rulings and judicial decisions now in effect, all of which are subject to change at any time by legislative, judicial or administrative action, as the case may be. In particular, the proposed regulations issued with respect to original issue discount ("OID") in 1986 (and amended in 1989 and 1991) (the "1986 Proposed Regulations") were withdrawn as of December 21, 1992, the date of issuance of new proposed regulations relating to OID (the "1992 Proposed Regulations"). The 1992 Proposed Regulations substantially revised and clarified the 1986 Proposed Regulations (for example, the 1992 Proposed Regulations address certain ambiguities in the 1986 Proposed Regulations, such as the application of the aggregation rules). The 1992 Proposed Regulations are generally proposed to be effective for debt instruments issued on or after the date that is 60 days after the date such proposed regulations are issued in final form. The IRS, however, intends to treat the 1986 Proposed Regulations as substantial authority for debt instruments issued prior to December 21, 1992. Any change to the 1986 Proposed Regulations, or to the existing laws, regulations, proposed regulations, rulings and judicial decisions, could apply retroactively in a manner that could adversely affect a holder of one or more of the 11-3/4% Notes. Accordingly, holders of 11-3/4% Notes are urged to monitor the substance and effective dates of the 1992 Proposed Regulations (including the finalization thereof).

This information is directed only to investors who will hold the 11-3/4% Notes as "capital assets" within the meaning of Section 1221 of the Code. In addition, the tax consequences to a particular person may be affected by matters not addressed in this discussion. For example, certain types of investors (including life insurance companies, tax exempt organizations, banks and dealers in securities or foreign persons) may be subject to special rules that are not addressed in this summary. This summary does not discuss tax consequences under state, local, or foreign tax laws. Persons considering the purchase of 11-3/4% Notes should consult with their own tax advisors concerning the application of United States federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to their particular situations.

The following discussion, subject to the qualifications stated herein, describes the material federal income tax considerations relevant to the purchase, ownership and disposition of the 11-3/4% Notes and constitutes the opinion of Winthrop, Stimson, Putnam & Roberts, counsel to Silgan. Such opinion represents its best legal judgment, but it will not be binding on the IRS or the courts. Silgan has not sought, nor does it intend to seek, a ruling from the IRS that its position as reflected in the following discussion will be accepted by the IRS.

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Interest on 11-3/4% Notes. Subject to the discussion in the next succeeding paragraph, a holder of an 11-3/4% Note is required to include in income the stated interest on the 11-3/4% Note in accordance with the holder's method of tax accounting. A holder of an 11-3/4% Note using the cash method of accounting for tax purposes generally is required to include such interest in income when cash payments are actually received (or made available for receipt if earlier) by the holder. A holder of an 11-3/4% Note using the accrual method of accounting for tax purposes generally is required to include such interest in income as it accrues.

If a holder owns the 11-3/4% Notes and either the Secured Notes or the Holdings Discount Debentures, or, possibly, if a holder owns only the 11-3/4% Notes but the 11-3/4% Notes are not traded on an established securities market, the 1986 Proposed Regulations could, under certain circumstances, be interpreted to require that some or all of such notes and debentures be aggregated and treated as a single debt instrument for purposes of computing original issue discount. If these aggregation rules were to apply, the 11-3/4% Notes could be treated as having original issue discount and cash basis taxpayers who hold the 11-3/4% Notes could be required to report stated interest on the 11-3/4% Notes as original issue discount on an accrual basis prior to the receipt of cash attributable to that stated interest.

In any event, a holder of the 11-3/4% Notes who does not also hold either the Secured Notes or the Holdings Discount Debentures should not be subject to these aggregation rules if the 11-3/4% Notes are treated as separately traded on an established securities market. Moreover, absent further clarification of the 1986 Proposed Regulations, the Company does not intend to treat any of the 11-3/4% Notes as being subject to these aggregation rules.

Since the issue price of the 11-3/4% Notes equals their stated redemption price at maturity (i.e., their principal amount) and the Company does not intend to treat any of the 11-3/4% Notes as being subject to the aggregation rules (discussed above), the remaining discussion set forth below assumes that the 11-3/4% Notes were not issued with original issue discount. Prospective purchasers of the 11-3/4% Notes are advised to consult their own tax advisors with respect to the existence of original issue discount and the consequences thereof.

Disposition of Securities. Upon a redemption, sale or exchange of an 11-3/4% Note, a holder will recognize gain or loss measured by the difference between the amount received in exchange therefor (other than the portion received for accrued but unpaid interest which portion is treated as interest received) and such holder's adjusted tax basis in the 11-3/4% Note. Except to the extent the market discount rules described below apply, any gain or loss recognized on the redemption, sale or exchange of an 11-3/4% Note will be long-term capital gain or loss if such 11-3/4% Note is held as a capital asset for the applicable long-term holding period (currently, more than one year) at the time of such redemption, sale or exchange. A holder's initial tax basis in an 11-3/4% Note will be equal to the price paid for such 11-3/4% Note and may be subject to adjustment as described below under market discount and bond premium.

Market Discount. The sale of the 11-3/4% Notes may be affected by the market discount provisions of the Code. Generally, market discount will exist to the extent a holder's purchase price for a 11-3/4% Note (presumably exclusive of the portion attributable to accrued but unpaid interest) is less than the principal amount of the 11-3/4% Note. Under a statutory de minimis rule, however, market discount on a debt instrument will be considered to be zero for purposes of the rules discussed below if such market discount is less than 0.25% of the principal amount of the debt instrument at maturity multiplied by the number of complete years (that is, rounding down for partial years) to maturity (after the holder acquires the instrument).

Generally, holders of a 11-3/4% Note who acquire the 11-3/4% Note with market discount will be required to treat any gain realized upon the sale or other disposition of such 11-3/4% Note as ordinary income to the extent of the market discount that accrued (but was not previously included in income) during the period such holder held the 11-3/4% Note. Market discount on a debt instrument generally accrues on a straight-line basis in equal daily portions or, at the election of the holder, under a constant interest method. If a holder disposes of an 11-3/4% Note in any transaction other than a sale, exchange or involuntary conversion (for example, as a gift), that holder generally is treated as having an amount realized equal to the fair market value of the 11-3/4% Note and will be required to recognize as ordinary income any gain on disposition to the extent of the accrued and previously unrecognized market discount. As a result of this rule, a holder may be required to recognize ordinary income on the disposition of a 11-3/4% Note, even though the disposition would not otherwise be taxable.

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Generally, if a holder incurs or continues indebtedness for the purpose of purchasing or carrying an 11-3/4% Note acquired at a market discount, the "net direct interest expense" arising from the indebtedness is allowed as a current deduction only to the extent it exceeds the portion of market discount allocable to the days during the year which the 11-3/4% Note was held by such holder. Net direct interest expense is the excess, if any, of the amount of interest paid or accrued during the taxable year on such indebtedness over the aggregate amount of interest (including OID, if any) includible in gross income for the taxable year with respect to the 11-3/4% Note. Net direct interest expense that exceeds the amount currently deductible is allowable as a deduction in any subsequent year, to the extent it does not exceed net interest income (that is, interest income on the 11-3/4% Note (including OID, if any) less interest on indebtedness incurred or continued to purchase or carry the 11-3/4% Note) for such year, if a proper election is made. Disallowed interest deductions, if any, remaining at the time of any taxable disposition of the 11-3/4% Note would be treated as interest paid or accrued in the year of disposition.

A holder may elect to include market discount in income as such discount accrues with a corresponding increase in the holder's tax basis in the 11-3/4% Note. If a holder so elects, the foregoing rules regarding the treatment as ordinary income of gain upon a disposition of an 11-3/4% Note, and regarding the deferral of interest deductions on indebtedness incurred or continued to purchase or carry an 11-3/4% Note, would not apply. Once made, such an election applies to all debt obligations of the holder that are purchased at a market discount on or after the first day of the first taxable year for which the election is made, and all subsequent taxable years of the holder, unless the IRS consents to a revocation of the election. Holders are urged to consult their own tax advisors with regard to the advisability of making such an election or any of the other elections with respect to market discount described above.

The market discount provisions also contain a rule providing that in the case of a partial principal payment on a market discount bond, the holder must include in income at the time of the partial principal payment the portion of the unrecognized market discount that accrued prior to the receipt of such payment (up to the amount of such payment). It is unclear whether this rule would apply in the case of a partial redemption of an 11-3/4% Note acquired with market discount.

Bond Premium. If a holder of an 11-3/4% Note acquires such 11-3/4% Note at a cost in excess of its principal amount, the 11-3/4% Note will be purchased at a premium. Under the bond premium rules contained in the Code, generally, such holder should be entitled to elect to offset its interest income by an allocable portion of the bond premium pursuant to Section 171 of the Code, with a corresponding reduction to the holder's tax basis in the 11-3/4% Note, under a constant yield method over the remaining term of the 11-3/4% Note. Such a holder should consult a tax advisor to determine the advisability of such an election. However, if the 11-3/4% Note is purchased at a time when the 11-3/4% Note may be optionally redeemed for an amount that is in excess of its principal amount, special rules would apply that could result in a deferral of the amortization of bond premium until later in the term of the 11-3/4% Note. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the holder and may be revoked only with the permission of the IRS.

Backup Withholding. Under Section 3406 of the Code and applicable Treasury regulations, a holder of a 11-3/4% Note may be subject to backup withholding at a rate of 31% of certain amounts paid or deemed paid to the holder unless such holder (a) is a corporation or comes within certain other exempt categories and, when required, provides proof of such exemption or (b) provides a correct taxpayer identification number, certifies that he has not lost exemption from backup withholding, and has met the requirements for the reporting of previous income set forth in the backup withholding rules. Holders of 11-3/4% Notes should consult their tax advisors as to their qualification for exemption from withholding and the procedure for obtaining such an exemption. Amounts paid as backup withholding do not constitute an additional tax and will be credited against the holder's federal income tax liability.

EXCEPT AS DISCUSSED ABOVE, NO INFORMATION IS PROVIDED HEREIN AS TO THE TAX TREATMENT OF HOLDERS OF THE 11-3/4% NOTES UNDER APPLICABLE UNITED STATES OR OTHER TAX LAWS. THE DISCUSSION IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. FOR EXAMPLE, THE DISCUSSION MAY NOT BE APPLICABLE WITH RESPECT TO HOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. THEREFORE, PROSPECTIVE PURCHASERS OF 11-3/4% NOTES ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE 11-3/4% NOTES, INCLUDING THE APPLICATION OF FEDERAL, STATE, LOCAL AND FOREIGN AND OTHER TAX LAWS AND POSSIBLE FUTURE CHANGES IN SUCH TAX

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LAWS.

MARKET-MAKING ACTIVITIES OF MORGAN STANLEY

The Prospectus is to be used by Morgan Stanley in connection with offers and sales of the 11-3/4% Notes in market-making transactions at negotiated prices related to prevailing market prices at the time of sale. Morgan Stanley may act as principal or agent in such transactions. Morgan Stanley has no obligation to make a market in the 11-3/4% Notes, and may discontinue its market-making activities at any time without notice, in its sole discretion.

Morgan Stanley acted as underwriter in connection with the original offering of the 11-3/4% Notes and received an underwriting discount of $4,050,000 in connection therewith.

As of the date of this Prospectus, MSLEF II owns 38.48% of the outstanding common stock of Holdings. See "Securities Ownership of Certain Beneficial Owners and Management--Certain Beneficial Owners of Holdings' Capital Stock." Morgan Stanley also acted as the purchaser for the private placement of the Secured Notes and the underwriter for the Holdings Debentures Offering, for which it was paid an aggregate of $7,482,708. For a description of certain transactions between the Company and Morgan Stanley and affiliates of Morgan Stanley, see "Certain Transactions."

In connection with the original offering of the 11-3/4% Notes, the Company agreed to indemnify Morgan Stanley, as the underwriter, and A.G. Edwards & Sons, Inc., as a "qualified independent underwriter," against certain liabilities, including liabilities under the Securities Act.

Morgan Stanley has provided, and continues to provide, investment banking services to the Company and its affiliates.

LEGAL MATTERS

The legality of the 11-3/4% Notes has been passed on for the Company by Winthrop, Stimson, Putnam & Roberts, Financial Centre, 695 East Main Street, Stamford, Connecticut 06901. G. William Sisley, a partner in Winthrop, Stimson, Putnam & Roberts, is Secretary of the Company and Holdings. Winthrop, Stimson, Putnam & Roberts from time to time represents Morgan Stanley in connection with certain legal matters unrelated to its representation of the Company.

EXPERTS

The consolidated financial statements of the Company at December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993 appearing in this Prospectus and Registration Statement have been audited by Ernst & Young, independent auditors, as set forth in their report thereon appearing elsewhere herein and in the Registration Statement, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The Statement of Assets, Liabilities and Net Assets of the Del Monte Corporation Can Manufacturing Operations (an operation of Del Monte Corporation), as Constituted for Sale to Silgan Containers Corporation, as of June 30, 1993 and the Schedule of Sales and Cost of Sales for the year then ended appearing in this Prospectus and Registration Statement have been audited by Ernst & Young, independent auditors, as set forth in their report thereon appearing elsewhere herein and in the Registration Statement, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholder
Silgan Corporation

We have audited the accompanying consolidated balance sheets of Silgan Corporation as of December 31, 1993 and 1992, and the related consolidated statements of operations, common stockholder's equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits

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provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Silgan Corporation at December 31, 1993 and 1992, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, in 1993, the Company changed its method of accounting for postretirement benefits other than pensions, income taxes and postemployment benefits.

Ernst & Young

Stamford, CT
March 10, 1994

SILGAN CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 1993 and 1992
(Dollars in thousands)

ASSETS	1993	1992
Current assets:		
Cash and cash equivalents	$ 205	$ 2,672
Accounts receivable, less allowances for doubtful accounts of $1,084 and $1,643 for 1993 and 1992, respectively	44,409	44,557
Inventories	108,653	75,007
Prepaid expenses and other current assets	3,562	3,354
Total current assets	156,829	125,590
Property, plant and equipment, at cost	432,859	340,304
Less accumulated depreciation and amortization	(142,464)	(116,425)
Net property, plant and equipment	290,395	223,879
Other assets	44,840	32,685
	$492,064	$382,154
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Working capital loans	$ 2,200	$ 40,400
Current portion of term loans	20,000	20,899
Trade accounts payable	31,913	27,956
Accrued payroll and related costs	20,523	19,242
Accrued interest payable	783	1,067
Accrued expenses and other current liabilities	11,094	6,217
Total current liabilities	86,513	115,781
Term loans	120,000	21,681
Senior secured notes	50,000	50,000
11 3/4% Senior subordinated notes	135,000	135,000
Deferred income taxes	13,017	11,970
Other long-term liabilities	34,731	14,947
Common stockholder's equity:		
Common stock $0.01 par value:		
Class A: 1,000 shares authorized, 1 share issued and outstanding	-	-
Class B: 1,000 shares authorized, 1 share issued and outstanding	-	-
Class C: 1,000 authorized, none outstanding	-	-
Additional paid-in capital (Note 8)	64,135	41,560
Retained earnings (deficit)	(11,332)	(8,785)
Total common stockholder's equity	52,803	32,775
	$492,064	$382,154

See accompanying notes.

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SILGAN CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

	1993	1992	1991
Net sales	$645,468	$630,039	$678,211
Cost of goods sold	571,174	554,972	605,185
Gross profit	74,294	75,067	73,026
Selling, general and administrative expenses	31,786	32,249	33,619
Income from operations	42,508	42,818	39,407
Interest expense and other related financing costs	27,928	26,916	28,981
Other (income) expense	35	25	(396)
Income before income taxes	14,545	15,877	10,822
Income tax provision (Note 9)	6,300	2,200	1,500
Income before extraordinary charges and cumulative effects of changes in accounting principles	8,245	13,677	9,322
Extraordinary charges relating to early extinguishment of debt, net of taxes	(841)	(9,075)	-
Cumulative effect of changes in accounting principles, net of taxes (Notes 2, 9 & 15)	(9,951)	-	-
Net income (loss)	(2,547)	4,602	9,322
Preferred stock dividend requirements	-	2,745	3,889
Net income (loss) applicable to common stockholder	$ (2,547)	$ 1,857	$ 5,433

See accompanying notes.

SILGAN CORPORATION
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY
For the years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

Common	Additional paid-in	Retained Earnings	Total common stockholder's

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	stock	capital	(deficit)	equity
Balance at December 31, 1990	$ -	$41,560	$ (351)	$41,209
Preferred stock dividend requirements of Silgan	-	-	(3,889)	(3,889)
Net income	-	-	9,322	9,322
Balance at December 31, 1991	-	41,560	5,082	46,642
Preferred stock dividend requirements of Silgan	-	-	(2,745)	(2,745)
Net income	-	-	4,602	4,602
Dividend to Parent	-	-	(15,724)	(15,724)
Balance at December 31, 1992	-	41,560	(8,785)	32,775
Capital contribution by Parent	-	15,000	-	15,000
Tax benefit realized from Parent	-	7,575	-	7,575
Net loss	-	-	(2,547)	(2,547)
Balance at December 31, 1993	$ -	$ 64,135	$ (11,332)	$ 52,803

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

	1993	1992	1991
Cash flows from operating activities:			
Net income (loss)	$ (2,547)	$ 4,602	$ 9,322
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	31,607	29,538	30,019
Amortization	4,817	4,424	4,038
Other items	342	1,215	324
Contribution by Parent for federal income tax provision	7,575	-	-
Extraordinary charges relating to early extinguishment of debt	1,341	9,075	-
Cumulative effect of changes in accounting principles	6,276	-	-
Changes in assets and liabilities, net of effect of acquisitions:			
(Increase) decrease in accounts receivable	707	(8,705)	23,539
(Increase) decrease in inventories	(4,316)	5,541	8,471
Increase (decrease) in trade accounts payable	3,757	(4,330)	(10,448)

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	1993	1992	1991
Other, net	(1,228)	(7,000)	(3,931)
Total adjustments	50,878	29,758	52,012
Net cash provided by operating activities	48,331	34,360	61,334
Cash flows from investing activities:			
Acquisition of Del Monte Can Manufacturing Assets	(73,865)	-	-
Capital expenditures	(42,480)	(23,447)	(21,834)
Proceeds from sale of assets	262	429	12,028
Net cash used in investing activities	(116,083)	(23,018)	(9,806)

Continued on following page.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

	1993	1992	1991
Cash flows from financing activities:			
Borrowings under working capital loans	328,050	316,050	357,560
Repayments under working capital loans	(366,250)	(296,850)	(372,960)
Repayment of term loans	(42,580)	(40,205)	(36,507)
Proceeds from issuance of term loans	140,000	-	-
Capital contribution by Parent	15,000	-	-
Proceeds from issuance of senior secured notes	-	50,000	-
Proceeds from issuance of 11 3/4% senior subordinated notes	-	135,000	-
Redemption of 14% senior subordinated notes	-	(89,250)	-
Redemption of preferred stock	-	(31,508)	-
Repayment of advance from Parent	-	(25,200)	-
Dividend to Parent	-	(15,724)	-
Cash dividends paid on preferred stock	-	(1,137)	-
Debt financing costs	(8,935)	(10,250)	-
Net cash provided (used) by financing activities	65,285	(9,074)	(51,907)
Net increase (decrease) in cash and cash equivalents	(2,467)	2,268	(379)
Cash and cash equivalents at beginning of year	2,672	404	783
Cash and cash equivalents at end of year	$ 205	$ 2,672	$ 404
Supplementary data:			
Interest paid	$ 25,733	$ 29,046	$ 27,503
Income taxes paid, net of refunds	722	1,206	764
Additional preferred stock issued in lieu of dividend	-	2,130	3,817

See accompanying notes.

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SILGAN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993, 1992 AND 1991
(Dollars in thousands
except for per share data)

1. Basis of Presentation

Silgan Corporation ("Silgan", together with its wholly owned subsidiaries, Silgan Containers Corporation ("Containers") and Silgan Plastics Corporation ("Plastics"), the "Company") is a wholly owned subsidiary of Silgan Holdings Inc. ("Holdings" or "Parent"). Holdings is a company controlled by Silgan management and Morgan Stanley Leveraged Equity Fund II, L.P. ("MSLEF II"), an affiliate of Morgan Stanley & Co. Incorporated ("MS & Co.").

The Company is engaged in the packaging business which includes the manufacture and sale of steel, aluminum and paperboard containers, mainly to processors and packagers of food products, and the design, manufacture and sale of various plastic containers, mainly for food, beverage, household, pharmaceutical and personal care products.

2. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions have been eliminated. Assets and liabilities of the Company's foreign subsidiary are translated at rates of exchange in effect at the balance sheet date. Income amounts are translated at the average of monthly exchange rates.

Accounts Receivable

Accounts receivable consist primarily of amounts due from domestic companies. Credit is extended based on an evaluation of the customer's financial condition and collateral is not generally required. The Company maintains an allowance for doubtful accounts at a level which management believes is sufficient to cover potential credit losses.

Inventories

Inventories are stated at the lower of cost or market (net realizable value). Finished goods, work-in-process and raw material inventories are principally accounted for by the last-in, first-out method (LIFO).

Property, plant and equipment

Property, plant and equipment are recorded at cost and are depreciated on the straight-line method over their estimated useful lives (ranging from 3 to 25 years). Maintenance and repair expenditures are charged to expense as incurred; major renewals and betterments are capitalized. The total amount of repairs and maintenance expense for the years ended December 31, 1993, 1992 and 1991 was $17,072, $14,962 and $16,507, respectively.

SILGAN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993, 1992 AND 1991
(Dollars in thousands
except for per share data)

2. Summary of Significant Accounting Policies (continued)

Other Assets

Cost in excess of fair value of net assets acquired is amortized on a straight-line basis over a period not exceeding forty years. Covenants not

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to compete are being amortized over five years. Debt issuance costs are being amortized over the terms of the related debt agreements (3 to 10 years).

Cash flows

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less at the time of purchase and investments in money market accounts to be cash equivalents.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Short and long-term debt: The carrying amounts of the Company's borrowings under its working capital loans and variable-rate borrowings approximate their fair value. The fair values of fixed-rate borrowings are based on quoted market prices.

Letters of Credit: Fair values of the Company's outstanding letters of credit are based on current contractual amounts outstanding.

Adoption of New Accounting Policies

Postretirement Benefits Other than Pensions: Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions". Under SFAS No. 106, the Company is required to accrue the estimated cost of retiree health and other postretirement benefits during the years that covered employees render service. Prior to 1993, the Company recorded these benefits on the pay-as-you-go basis. As permitted by the Statement, prior years' financials have not been restated. See Note 15 - Postretirement Benefits Other than Pensions.

2. Summary of Significant Accounting Policies (continued)

Income Taxes: Effective January 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes". SFAS No. 109 requires the use of the liability method of accounting for deferred income taxes. The provision for income taxes includes federal, state and foreign income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. The Company had previously reported under SFAS No. 96, "Accounting for Income Taxes". Under SFAS No. 96, the Company had recognized a federal income tax benefit from the tax losses of Holdings. Under SFAS No. 109, this benefit will be reflected as a contribution to additional paid-in capital instead of as a reduction of income tax expense. As permitted by the Statement, prior years' financial statements have not been restated. See Note 9 - Income Taxes.

Postemployment Benefits: During 1993, the Company adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits". The cumulative effect as of January 1, 1993 of this accounting change was to decrease net income by $826 (after related income taxes of $450). There was no effect on income before income taxes as a result of this change in accounting principle.

3. Acquisitions

On December 21, 1993, Containers acquired from Del Monte Corporation ("Del

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Monte") substantially all of the fixed assets and certain working capital of its container manufacturing business in the United States ("DM Can"). The purchase price, which is subject to post-closing adjustments, for the assets acquired and the assumption of certain specified liabilities, including related transaction costs, was $73,865. The acquisition was accounted for as a purchase transaction and the results of operations have been included with the Company's results from the acquisition date. The total purchase cost was allocated first to the tangible assets acquired and liabilities assumed based upon their respective fair values as determined from preliminary appraisals and valuations and the excess was allocated to cost over fair value of assets acquired. The aggregate purchase cost and its preliminary allocation to the assets and liabilities is as follows:

Net working capital acquired	$26,400
Property, plant and equipment	57,238
Cost in excess of fair value of assets acquired	6,587
Other liabilities assumed	(16,360)
	$73,865

3. Acquisitions (continued)

Set forth below is the Company's summary unaudited pro forma results of operations for the years ended December 31, 1993 and 1992. The unaudited pro forma results of operations for the year ended December 31, 1993 include the historical results of DM Can for the period ended December 21, 1993 and give effect to the pro forma adjustments. The unaudited pro forma results of operations for the year ended December 31, 1992 include the historical results of DM Can and the Company for the year ended December 31, 1992 and give effect to the pro forma adjustments.

The pro forma adjustments to the historical results of operations reflect the sales prices set forth in a supply agreement with Del Monte, the estimated effect of purchase accounting adjustments based upon preliminary appraisals and evaluations, the financing of the acquisition and certain other adjustments as if these events had occurred as of the beginning of the periods mentioned therein. The following unaudited pro forma results of operations do not purport to represent what the Company's results of operations would actually have been had the transactions in fact occurred on the dates indicated or to project the Company's results for any future period:

	1993	1992
Net sales	$818,614	$819,579
Income from operations	51,343	57,282
Income before income taxes	18,877	25,353
Income before extraordinary charges and cumulative effect of accounting changes	10,844	22,301
Net income	52	13,226

4. Dispositions

In November 1991 the Company sold substantially all of the assets used in its PET carbonated beverage bottle business. Most of the sales proceeds of $12,000 were used to repay term loans. No gain or loss was recognized as a result of the disposition.

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SILGAN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993, 1992 AND 1991
(Dollars in thousands
except for per share data)

5. Refinancings

1993

Effective December 21, 1993, Silgan, Containers and Plastics entered into a credit agreement (the "Credit Agreement") with certain lenders (the "Banks"), Bank of America, as Co-Agent, and Bankers Trust, as Agent, to refinance in full all amounts owing under the Amended and Restated Credit Agreement, dated as of August 31, 1987, and to finance the acquisition of DM Can by Containers. Under the Credit Agreement, the Banks loaned the Company $140,000 of term loans and $29,800 of working capital loans on the effective date. In addition, Holdings contributed $15,000 to the Company. The Company used these proceeds to repay $41,452 of term loans and $60,800 of working capital loans, to acquire DM Can and pay fees and expenses. As a result of the early extinguishment of debt, the Company incurred a charge of $841 (net of $500 of taxes). See Note 10 - Bank Credit Facility.

1992

Effective June 29, 1992, the Company and Holdings refinanced a significant portion of their indebtedness (the "Refinancing"). The Refinancing included a private placement by the Company of $50,000 principal amount of its Senior Secured Floating Rate Notes due June 30, 1997 (the "Secured Notes") and a public offering of $135,000 principal amount of the Company's 11 3/4% Senior Subordinated Notes due 2002 (the "11 3/4% Notes"). The proceeds from the new debt offerings, net of $10,250 of transaction fees and expenses, were used, in part, to redeem the Company's 14% Senior Subordinated Notes (the "14% Notes") and 15% Cumulative Exchangeable Redeemable Preferred Stock (the "Preferred Stock"). The Preferred Stock (300,083 shares) was redeemed on August 16, 1992 at a redemption price of $105 per share plus accrued dividends. The 14% Notes ($85,000 aggregate principal amount) were redeemed on August 28, 1992 at a redemption price of 105% of the principal amount thereof plus accrued interest.

In conjunction with the Refinancing, the Amended and Restated Credit Agreement was amended to, among other things, permit the Refinancing and the Company repaid $30,000 of term loans thereunder. In addition, the Company repaid the $25,200 advance from Holdings and advanced $16,000 to Holdings. Upon completion of the redemption of the 14% Notes, the Company paid a $15,724 dividend to Holdings which Holdings, along with additional cash earned on its short term investments of proceeds received by it in connection with the Refinancing, used to retire the outstanding advance to the Company. Such payments to Holdings, along with the public offering by Holdings of its 13 1/4% Senior Discount Debentures due 2002 (the "Discount Debentures") for an aggregate amount of proceeds of $165,435, were used by Holdings to redeem its Senior Reset Debentures due 2004 (the "Holdings Reset Debentures") on July 29, 1992.

SILGAN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993, 1992 AND 1991
(Dollars in thousands
except for per share data)

5. Refinancings (continued)

1992 (continued)

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As a result of the Refinancing, unamortized deferred financing costs elating to the 14% Notes, the Preferred Stock and the repayment of term loans under the Amended and Restated Credit Agreement totaling $3,325 in the aggregate were written off in 1992 and, along with the redemption premiums of $5,750, are reflected as an extraordinary charge. Since the Company was reporting under SFAS No. 96, there was no tax effect on this charge due to the tax allocation arrangement with Holdings and Holdings' net operating loss position.

6. Inventories

Inventories at December 31, 1993 and 1992 consist of the following:

	1993	1992
Raw materials and supplies	$ 26,458	$ 17,623
Work-in-process	17,105	10,413
Finished goods	65,072	49,546
	108,635	77,582
Adjustment to value inventory at cost on the LIFO method	18	(2,575)
	$108,653	$ 75,007

The amount of inventory recorded on the first-in first-out method at December 31, 1993 and 1992 was $2,178 and $2,189, respectively.

7. Property, plant and equipment

Net property, plant and equipment at December 31, 1993 and 1992 consist of the following:

	1993	1992
Land	$ 4,469	$ 3,743
Buildings and improvements	56,087	50,382
Machinery and equipment	352,409	270,845
Construction in progress	19,894	15,334
	432,859	340,304
Less: accumulated depreciation and amortization	(142,464)	(116,425)
	$290,395	$223,879

8. Other Assets

Other assets at December 31, 1993 and 1992 consist of the following:

	1993	1992
Cost in excess of fair value of assets acquired	$ 26,671	$ 20,178
Debt issuance costs	18,163	17,029
Covenants not to compete	8,500	8,500
Other	4,146	1,342
	57,480	47,049
Less: accumulated amortization	(12,640)	(14,364)
	$ 44,840	$ 32,685

In 1993, upon the effectiveness of the Credit Agreement, the Company wrote off $841 of net debt issuance costs (net of tax) and capitalized $8,935 in new debt issuance costs. In 1992, as part of the Refinancing, the Company wrote off $3,325 of net debt issuance costs and capitalized $10,250 in new debt issuance costs. Amortization expense for the years ended December 31, 1993 and 1992 was $4,817 and $4,424, respectively.

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9. Income Taxes

Effective January 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes" which requires the use of the liability method of accounting for deferred income taxes. The Company had previously reported under SFAS No. 96, "Accounting for Income Taxes". Under SFAS No. 96, the Company had recognized a federal income tax benefit from the tax losses of Holdings. Under SFAS No. 109, this benefit will be reflected as a contribution to additional paid-in capital instead of a reduction of income tax expense. Accordingly, the Company recorded a cumulative charge to earnings and credit to paid-in capital of $6,000 for the difference in methods up to the date of adoption. As permitted by SFAS No. 109, the Company has elected not to restate prior years' financial statements.

9. Income Taxes (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets at December 31 are as follows:

	1993
Deferred tax liabilities:	
Tax over book depreciation	$20,700
Book over tax basis of assets acquired	24,000
Other	6,392
Total deferred tax liabilities	51,092
Deferred tax assets:	
Book reserves not yet deductible for tax purposes	20,700
Net operating loss carryforwards	7,800
Benefit taken for Holdings' losses	7,575
Other	2,000
Total deferred tax assets	38,075
Net deferred tax liabilities	$13,017

The Company files a consolidated Federal income tax return with Holdings. In accordance with the tax allocation agreement thereunder, the Company is obligated to reimburse Holdings for the use of Holdings losses only to the extent that Holdings has taxable income on a stand-alone basis. A liability has not been established to the extent of the use of Holdings' losses since the possibility of the ultimate payment for these benefits is considered remote. Accordingly, the use of Holdings' losses has been accounted for as a contribution of capital.

Also, in accordance with the tax allocation agreement, the Company is required to reimburse Holdings for its allocable share of Holdings' tax liability. In 1993, the Company's share of Holdings' federal tax liability, for alternative minimum tax, aggregated $300.

The income tax provision for 1993 reflects the adoption of SFAS No. 109 under which the Company provides for taxes as if it were a separate taxpayer. The income tax provision for 1992 and 1991 takes into consideration certain matters covered under a tax allocation arrangement with Holdings, under which the Company obtains a federal income tax benefit from Holdings' tax losses.

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9. Income Taxes (continued)

The income tax provision consists of the following:

	1993	1992	1991
Current			
Federal	$ 300	$ -	$ -
State	1,900	1,705	682
Foreign	(400)	31	380
	1,800	1,736	1,062
Deferred:			
Federal	4,100	-	-
State	400	464	438
Foreign	-	-	-
	4,500	464	438
	$6,300	$2,200	$1,500

The aggregate income tax provision varied from that computed by using the U.S. statutory rate as a result of the following:

	1993	1992	1991
Income tax provision at the U.S. federal income tax rate	$5,091	$5,398	$3,679
Income tax benefit realized from Holdings	-	(4,650)	(3,169)
State and foreign tax expense net of federal income taxes	1,209	1,452	990
	$6,300	$2,200	$1,500

The Company files a consolidated federal income tax return with Holdings. On a consolidated basis the Company and Holdings have net operating loss carryforwards at December 31, 1993 of approximately $105,000 which are available to offset future consolidated taxable income of the group and expire from 2001 through 2008. The Company and Holdings, on a consolidated basis at December 31, 1993, have $1,900 of alternative minimum tax credits which are available indefinitely to reduce future tax payments for regular federal income tax purposes.

At December 31, 1993 the Company, if reporting on a separate company basis, would have had net operating loss carryforwards for federal tax purposes of approximately $19,000 which are available for carryforward for a period of up to 15 years.

10. Bank Credit Facility

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On December 21, 1993, the Company, Containers and Plastics (the "Borrowers") and the Banks entered into the Credit Agreement pursuant to which the Banks loaned to Silgan (i) $60,000 of term loans (the "A Term Loans") and (ii) $80,000 of term loans (the "B Term Loans"), collectively, the "Term Loans", and agreed to lend to Containers or Plastics up to an aggregate of $70,000 of working capital loans (the "Working Capital Loans"). Concurrent with the borrowings under the Credit Agreement, the Company repaid in full amounts outstanding under the Amended and Restated Credit Agreement. See Note 5 - Refinancings.

To secure the obligations of Borrowers under the Credit Agreement, the Company pledged to the Banks principally all of the capital stock of its subsidiaries and the subsidiaries have each granted to the Banks security interests in substantially all of their respective real and personal property. Such collateral also secures on an equal and ratable basis the Secured Notes, subject to certain intercreditor arrangements. Holdings has pledged to the Banks all of the capital stock of the Company. Holdings and each of the Borrowers have guaranteed on a secured basis all of the obligations of the Borrowers under the Credit Agreement.

The A Term Loans mature on September 15, 1996 and are payable in installments during the listed years as follows:

Installment Repayment Date	A Term Loan Principal Amount
1994	$ 20,000
1995	20,000
1996	20,000

The B Term Loans mature and are payable in full on September 15, 1996. Amounts repaid under the Term Loans cannot be reborrowed.

Under the Credit Agreement, the Company is required to repay the Term Loans (pro rata for each tranche of Term Loans) in an amount equal to 75% of the Company's Excess Cash Flow (as defined in the Credit Agreement) in any fiscal year during the Credit Agreement (beginning with the 1994 fiscal year). Additionally, the Company is required to repay the Term Loans (pro rata for each tranche of Term Loans) and the Secured Notes, in an aggregate amount equal to 80% of the net sale proceeds from certain assets sales and 100% of the net equity proceeds from certain sales of equity, all as provided in the Credit Agreement and the Secured Notes Agreement.

10. Bank Credit Facility (continued)

The aggregate amount of Working Capital Loans which may be outstanding at any time is subject to a borrowing base limitation of the sum of (i) 85% of eligible accounts receivable of Containers and Plastics and (ii) 50% of eligible inventory of Containers and Plastics. In lieu of Working Capital Loans, Containers and Plastics may request Bankers Trust to issue up to $15,000 of letters of credit (the "Letters of Credit"). At December 31, 1993, $6,094 of Letters of Credit were outstanding.

Subject to the terms of the Credit Agreement, the Working Capital Loans can be borrowed, repaid and reborrowed from time to time until September 15, 1996, on which date all Working Capital Loans mature and are payable in full.

Each of the Term Loans and each of the Working Capital Loans, at the respective Borrower's election, consist of loans designated as Eurodollar rate loans or as Base Rate loans. Subject to certain conditions, each of the Term Loans and each of the Working Capital Loans can be converted from a Base Rate loan into a Eurodollar rate loan and vice versa. The term "Base Rate" means the highest of (i) 1/2 of 1% in excess of the Adjusted Certificate of Deposit Rate (as defined in the Credit Agreement), (ii) 1/2

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of 1% in excess of the Federal Funds Rate (as defined in the Credit Agreement) and (iii) Bankers Trust's prime lending rate.

Interest on Term Loans maintained as Base Rate loans accrues at floating rates of 1.75% (in the case of A Term Loans) and 2.25% (in the case of B Term Loans) over the Base Rate. Interest on Term Loans maintained as Eurodollar rate loans accrues at floating rates of 2.75% (in the case of A Term Loans) and 3.25% (in the case of B Term Loans) over a formula rate (the "Eurodollar Rate") determined with reference to the rate offered by Bankers Trust for dollar deposits in the New York interbank Eurodollar market. Interest on Working Capital Loans maintained as (i) Base Rate loans accrues at floating rates of 2% over the Base Rate or (ii) Eurodollar rate loans accrues at floating rates of 3% over the Eurodollar Rate. At December 31, 1993, the loans were maintained as Base Rate loans and the interest rate was between 7 3/4% and 8 1/4%.

Each of Containers and Plastics has agreed to jointly and severally pay to the Banks, on a quarterly basis, a commitment commission calculated as 0.50% per annum on the daily average unused portion of the Banks' working capital commitment in respect of the Working Capital Loans until such working capital commitment is terminated. Additionally, Containers and Plastics are required to pay to Bankers Trust, on a quarterly basis in arrears, a letter of credit fee of 3.0% per annum and a facing fee of 1/4 of 1% per annum, each on the average daily stated amount of each letter of credit issued for the account of Containers or Plastics, respectively.

10. Bank Credit Facility (continued)

The Credit Agreement requires the Company to meet certain financial covenants, and restricts or limits, among other items, each of the Borrowers' ability to (i) incur additional indebtedness, (ii) create certain liens, (iii) consolidate, merge or sell assets, (iv) make capital expenditures and (v) pay dividends, except for distributions to Holdings to fund federal and state tax obligations.

For 1993, 1992 and 1991, respectively, the average amount of borrowings under the Working Capital Loans was $51,935, $44,525, and $56,342; the average annual interest rate was 6.5%, 7.2% and 9.0%; and the highest amount of such borrowings at any month-end was $80,250, $80,800 and $81,300.

11. Senior Secured Notes

The Secured Notes constitute senior indebtedness of the Company and are secured by a first lien on substantially all of the assets of the Company. Such collateral also secures on an equal and ratable basis, subject to certain intercreditor arrangements, all indebtedness of the Company under the Credit Agreement. The Secured Notes mature on June 30, 1997 and bear interest, which is payable quarterly, at a rate of three-month LIBOR plus 3%. The interest rate is adjusted quarterly. The interest rate in effect at December 31, 1993 was 6.38%.

The Secured Notes are redeemable at the option of the Company at par plus accrued and unpaid interest to the redemption date. Net cash proceeds from certain asset sales and the issuance of capital stock by the Company are required to be applied to prepay the Secured Notes and indebtedness under the Credit Agreement on a pro rata basis, subject to certain exceptions.

The Secured Notes contain covenants which are comparable to or less restrictive than those required by the Credit Agreement. These covenants limit, among other items, the Company's ability to (i) incur additional indebtedness, (ii) pay dividends, except for distributions to Holdings to fund federal and state tax obligations, (iii) enter into certain transactions with affiliates, (iv) repay subordinated indebtedness, and (v) effect certain mergers, consolidations and transfers of assets.

12. 11 3/4% Senior Subordinated Notes

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The 11 3/4% Notes, which mature on June 15, 2002, represent unsecured general obligations of Silgan, subordinate in right of payment to obligations of the Company under the Credit Agreement and the Secured Notes and effectively subordinate to all of the obligations of the subsidiaries of the Company. Interest is payable semi-annually on June 15 and December 15.

12. 11 3/4% Senior Subordinated Notes (continued)

The 11 3/4% Notes are redeemable at the option of the Company, in whole or in part, at any time during the twelve months commencing June 15 of the following years at the indicated percentages of their principal amount plus accrued interest:

Year	Redemption Percentage
1997	105.8750%
1998	102.9375%
1999 and thereafter	100.0000%

The 11 3/4% Notes Indenture contains covenants which are comparable to or less restrictive than those required by the Credit Agreement and the Secured Notes.

The estimated fair value of the 11 3/4% Notes at December 31, 1993 was $145,800.

13. Preferred Stock

The Preferred Stock holders received cumulative preferential dividends at the rate per annum of 15% per share calculated as a percentage of $100. Dividends were, at the option of the Company, paid in additional shares of Preferred Stock. During 1992 and 1991, the Company issued 21,301 and 38,173 shares of Preferred Stock at $100 per share, representing its Preferred Stock dividend requirement for the two quarters ended May 15, 1992 and the four quarters ended November 15, 1991. A cash dividend payment of $1,137 was made for the quarter ended August 15, 1992.

As of December 31, 1993, the Company has authorized 1,000 shares of Preferred Stock, of which, none is issued or outstanding.

14. Retirement Plans

The Company sponsors contributory and non-contributory pension and retirement plans which cover substantially all employees, other than union employees covered by multi-employer defined benefit pension plans under collective bargaining agreements. The benefits are paid based on either a career average, final pay or years of service formula. With respect to certain hourly employees, pension benefits are provided for based on stated amounts for each year of service. The Company funds the minimum amount required under the Employee Retirement Income Security Act of 1974 with certain employees contributing approximately 3% of their annual compensation.

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14. Retirement Plans (continued)

The provisions of SFAS No. 87, "Employers' Accounting for Pensions" require recognition in the balance sheet of an additional minimum liability and related intangible asset for pension plans with accumulated benefits in excess of plan assets. At December 31, 1993, an additional liability of $2,107 and an intangible asset of equal amount are reflected in the consolidated balance sheet. The additional liability is principally the result of the change in the assumed discount rate.

Based on the latest actuarial information available, the following table sets forth the defined benefit plans funded status and amounts recognized in the Company's balance sheets as of December 31:

	1993	1992
Actuarial present value of benefit obligations:		
Vested benefit obligations	$ 19,096	$ 13,543
Non-vested benefit obligations	1,100	970
Accumulated benefit obligations	20,196	14,513
Additional benefits due to future salary levels	9,825	9,847
Projected benefit obligations	30,021	24,360
Plan assets at fair value	18,327	14,644
Projected benefit obligation in excess of plan assets	11,694	9,716
Unrecognized actuarial gain (loss)	2	2,431
Unrecognized prior service costs	(2,093)	(2,218)
Additional minimum liability	2,107	114
Net pension liability	$ 11,710	$10,043

The 1992 funded status amounts have been restated to reflect revisions in actuarial computations. These revisions had no effect on the Company's net pension liability.

In addition to amounts set forth above, the Company has assumed defined benefit plan obligations of approximately $11,000 (as calculated at the Company's discount rate of 7 1/2%) in connection with the acquisition of DM Can. Under the terms of the DM Can purchase agreement, Del Monte will be transferring to the Company fund assets of approximately $9,000 (as computed using a discount rate of 9%).

14. Retirement Plans (continued)

The assumptions used in determining actuarial present value of plan benefit obligations as of December 31:

	1993	1992	1991
Discount rate	7.5%	8.5%	8.5%
Weighted average rate of compensation increase	4.5%	5.0 - 5.5%	5.0 - 5.5%
Expected long-term rate of return on plan assets	8.5%	8.5%	8.5%

The components of total pension expense are as follows:

	1993	1992	1991

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Service cost	$1,809	$1,722	$1,816
Interest cost	2,144	2,101	1,977
Net amortization and deferrals	500	75	1,298
Actual return on assets	(1,784)	(891)	(1,717)
Other (gains)	(183)	(183)	(307)
Net pension cost of defined benefit plans	2,486	2,824	3,067
Multi-employer plans	2,210	2,159	2,041
Total pension expense	$4,696	$4,983	$5,108

Plan assets are invested in money market funds, equity funds and bond funds.

In 1991, the Company realized a curtailment gain of $2,500 due to a reduction in the Company's work force. Such amount has not been reflected in total pension expense above.

Containers sponsors a deferred incentive savings plan for eligible salaried employees where contributions are provided if Containers meets certain financial targets. The maximum aggregate amount of awards will not exceed 15% of the aggregate salaries of the participants in the Plan. Contributions of $1,630, $1,730 and $1,700 were made for 1993, 1992 and 1991, respectively.

Plastics sponsors a savings and investment plan which is organized under Section 401(k) of the Internal Revenue Code. Plastics' contributions to the plan were $146, $147 and $149 in 1993, 1992 and 1991, respectively.

15. Postretirement Benefits Other than Pensions

As discussed in Note 2, the Company adopted SFAS No. 106 in 1993. The Company has elected to immediately recognize a cumulative charge of $3,125 (after related income taxes of $1,875) for this change in accounting principle which represents the accumulated postretirement benefit obligation existing as of January 1, 1993. This change in accounting principle, excluding the cumulative effect, decreased pretax income for the year ended December 31, 1993 by approximately $478. The postretirement benefit cost for 1992 and 1991, which was recorded on a pay-as-you-go basis, has not been restated and was not material.

The Company has defined benefit health care and life insurance plans that provide postretirement benefits to certain employees. The plans are contributory, with retiree contributions adjusted annually, and contain cost sharing features including deductibles and coinsurance. The Company does not fund the plans.

The following table presents the plan's funded status and amounts recognized in the Company's balance sheet as of December 31, 1993:

Accumulated postretirement benefit obligation:	
Retirees	$1,209
Fully eligible active plan participants	1,197
Other active plan participants	2,127
	4,533
Plan assets at fair value	-
Accumulated postretirement benefit obligation in excess of plan assets	4,533
Unrecognized net gain or (loss)	(462)
Unrecognized transition obligation	-
Accrued postretirement benefit cost	$4,071

Net periodic postretirement benefit cost for 1993 included the following

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components:

Service cost	$ 152
Interest cost	326
Net periodic postretirement benefit cost	$ 478

15. Postretirement Benefits Other than Pensions (continued)

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.5%. The weighted average rate of increase in future compensation levels was 4.5%. For measuring the expected postretirement benefit obligation, the weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) principally used is 14% for 1994 (15% for 1993). This rate is assumed to decrease by 1% per year to an ultimate rate of 6%. A 1% increase in the trend rate assumption would increase the accumulated postretirement benefit obligation as of December 31, 1993 by approximately $62 and increase the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for 1993 by approximately $12. As of December 31, 1992, the plan's unfunded accumulated postretirement benefit obligations for retirees and active participants was $1,144 and $3,856, respectively.

16. Stock Option Plans

Containers and Plastics have established separate but virtually identical stock option plans for their key employees pursuant to which options to purchase shares of common stock of Holdings' and its subsidiaries and stock appreciation rights ("SARs") may be granted.

Options granted under the plans may be either incentive stock options or non qualified stock options. To date, all stock options granted have been non qualified stock options. Under the plans, Containers and Plastics have each reserved 1,200 shares of their common stock in order to enable them to issue shares under the plans. Both Containers and Plastics have 10,800 shares of $0.01 par value common stock currently issued, all of which are owned by Silgan.

The SARs extend to all of the shares covered by the options and provide for the payment by either Containers or Plastics, as the case may be, to the holders of the options an amount in cash or stock equal to the excess of the proforma book value, as defined, of a share of common stock (or in the event of a public offering, the fair market value of a share of common stock) over the exercise price of the option with certain adjustments for the portion of vested stock appreciation not paid at the time of recapitalization in June, 1989. The subsidiaries have the right to repurchase, and employees have the right to require the subsidiaries to repurchase, their common stock at the then proforma book value, or market value as the case may be, should employees leave the Company.

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16. Stock Option Plans (continued)

At December 31, 1993, there were outstanding options for 816 shares under the Containers' Plan and 300 shares under the Plastics' Plan. The exercise prices per share range from $2,122 to $2,456 for the Containers' options and are $746 for the Plastics' options. There were 528 options and 240 options exercisable at December 31, 1993 under the Containers' and Plastics' plans, respectively. The Company incurred charges relating to the vesting and payment of benefits under the stock option plans of $200 and $350 in 1993 and 1992, respectively (none in 1991).

The stock options and SARs generally become exercisable ratably over a five year period.

In the event of a public offering of any of the Company's or Holdings' capital stock or a sale of the Company or Holdings to a third party, (i) the options granted by Containers and Plastics pursuant to the plans, or (ii) any stock issued upon exercise of such options issued by Containers and Plastics are convertible into either stock options or common stock of the Company or Holdings. The conversion of such options or shares will be based upon a valuation of Holdings and an allocation of such value among the subsidiaries after giving affect to, among other things, that portion of the outstanding obligation of Holdings allocable to each such subsidiary.

17. Business Information

The Company is engaged in the packaging business. Its principal products are metal and plastic containers. Net sales for its metal and plastic containers were $445,871 and $186,319; $425,844 and $192,596; and $435,349 and $232,139 for the years ended December 31, 1993, 1992 and 1991, respectively. Other sales amounted to $13,278, $11,599 and $10,723 for the years ended December 31, 1993, 1992 and 1991, respectively.

One customer accounted for 34.1%, 36.5% and 32.2%, of net sales during the years ended December 31, 1993, 1992 and 1991 respectively. At December 31, 1993 and 1992, 12.9% and 14.5%, respectively, of the accounts receivable balance is due from this customer.

18. Related Party Transactions

Pursuant to various management services agreements (the "Management Agreement") entered into between Holdings, Silgan, Containers, Plastics, and S&H, Inc. ("S&H"), a company wholly owned by Messrs. Silver and Horrigan, the Chairman of the Board and President of Holdings, respectively, S&H provides Holdings and the Company and its subsidiaries with general management, supervision and administrative services (the "Services"). In consideration for the Services, S&H receives a fee of 4.95% (of which 0.45% is payable to MS & Co.) of Holdings' consolidated earnings before depreciation, amortization, interest and taxes ("EBDIT") until EBDIT has reached the Scheduled Amount set forth in the Management Agreement and 3.3% (of which 0.3% is payable to MS & Co.) after EBDIT has exceeded the Scheduled Amount up to the Maximum Amount as set forth in the Management Agreement, plus reimbursement for all related out-of-pocket expenses. The total amount incurred for the years ended December 31, 1993, 1992 and 1991 was approximately $4,385, $4,225 and $4,027, respectively.

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Included in accounts payable at December 31, 1993 and 1992, was approximately $575 and $200, payable to S&H, respectively.

Under the terms of the Management Agreement, the Company agreed, subject to certain exceptions, to indemnify S&H and any of its affiliates, officers, directors, employees, subcontractors, consultants or controlling persons against any loss or damage they may sustain arising in connection with the Management Agreement.

In connection with the 1992 Refinancing, MS & Co. received as compensation for its services as underwriter for the Secured Notes, the 11 3/4% Notes and the Discount Debentures an aggregate of $11,500.

In connection with the Credit Agreement entered into in 1993, the Banks (including Bankers Trust) received certain fees amounting to $8,100.

19. Commitments

The Company is committed under certain noncancelable operating leases for office and plant facilities, equipment and automobiles. Minimum future rental payments under these operating leases are:

1994	$8,960
1995	6,700
1996	5,829
1997	4,873
1998	3,606
Thereafter	9,441
	$39,409

Rental expense for the years ended December 31, 1993, 1992 and 1991 was approximately $7,999, $7,977 and $8,102, respectively.

20. Litigation

On June 30, 1989, Holdings acquired all of the outstanding shares of the Company for $6.50 per share (the "Merger"). In connection with the Merger, two complaints were filed during 1989 in the Court of Chancery in the State of Delaware (the "Court") by certain Silgan Class B Common Stockholders against Silgan, Holdings, MS & Co., officers and directors.

The complaints allege, among other things, that certain defendants breached their fiduciary duties under Delaware law to minority stockholders of Silgan by engaging in unfair dealing, attempting to effect a merger at a grossly inadequate price and distributing misleading proxy materials. The complaints ask the Court, among other things, to rescind the Merger and/or to grant to plaintiffs such damages, including rescissory damages, as are found by the Court to be proven at trial. Additionally, the plaintiffs each filed a petition for appraisal.

In 1991, the Court stayed one of the actions and related appraisal proceeding based upon the seizure and placement into receivership of one plaintiff. The Court lifted the stay of the action and appraisal proceeding on March 30, 1992 and both the action and appraisal were dismissed in February 1994 following settlement with the plaintiffs. The second action was voluntarily dismissed on January 29, 1992 without prejudice to the right of the plaintiffs to reinstate the action at the conclusion of the related appraisal proceeding. Discovery is proceeding in the appraisal. The Court has set the week of May 9, 1994 for trial.

Additionally, a complaint was filed by parties who are limited partners of The Morgan Stanley Leveraged Equity Fund, L.P. ("MSLEF") against a number of defendants including Silgan and Holdings. The complaint alleges that Silgan and Holdings aided and abetted the general partners MSLEF in breaching their fiduciary duties to the limited partners. The Court dismissed all claims against Silgan and Holdings related to this action on January 14, 1993, and subsequently upheld that dismissal after the plaintiff filed a motion for reargument.

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The defendants believe that there is no factual basis for the allegations and claims contained in the complaints. Management also believes that the lawsuits are without merit and they intend to defend the lawsuits vigorously. In addition, management believes that the ultimate resolution of these matters and the appraisal proceedings will not have a material effect on the financial condition or results of operations of Silgan or Holdings.

20. Litigation (continued)

In connection with the Merger and the litigation described above, as of December 31, 1993 approximately $6,800 of the purchase price has not been paid to certain former stockholders and such amount has been recorded by Holdings as a current liability. To the extent the Company elects to make such payments to former stockholders, the Company's stockholder's equity could be reduced by the amount of such payment.

Other than the actions mentioned above there are no other pending legal proceedings, other than ordinary routine litigation incidental to the business of the Company, to which the Company is a party or to which any of its properties are subject.

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SILGAN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 31, 1994 (unaudited)	March 31, 1993 (unaudited)	Dec. 31, 1993 (audited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,669	$ 235	$ 205
Accounts receivable, net	68,188	53,409	44,409
Inventories	124,009	85,375	108,653
Prepaid expenses and other current assets	3,515	3,410	3,562
Total current assets	198,381	142,429	156,829
Property, plant and equipment, net	285,738	221,904	290,395
Other assets	43,798	30,987	44,840
	$527,917	$395,320	$492,064
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Working capital loans	$ 5,800	$ 38,250	$ 2,200
Current portion of term loans	20,000	20,899	20,000
Trade accounts payable	48,665	32,344	31,913
Accrued payroll and related costs	25,263	22,249	20,523
Accrued interest payable	6,250	5,224	783
Accrued expenses and other current liabilities	12,191	11,016	11,094
Total current liabilities	118,169	129,982	86,513
Term loans	120,000	21,681	120,000
Senior secured notes	50,000	50,000	50,000
11 3/4% Senior subordinated notes	135,000	135,000	135,000
Deferred income taxes	13,501	12,313	13,017
Other long-term liabilities	34,788	18,089	34,731
Common stockholder's equity:			
Additional paid-in capital	65,935	45,960	64,135
Retained earnings (deficit)	(9,476)	(17,705)	(11,332)
Total common stockholder's equity	56,459	28,255	52,803
	$527,917	$395,320	$492,064

See accompanying notes.

SILGAN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands)

	Three Months Ended	
	March 31, 1994	March 31, 1993
Net sales	$186,243	$148,727
Cost of goods sold	163,520	131,822
Gross profit	22,723	16,905
Selling, general and administrative expenses	8,442	8,059

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Income from operations	14,281	8,846
Interest expense and other related financing costs	8,369	6,733
Other (income) expense	156	(93)
Income before income taxes	5,756	2,206
Income tax provision	2,375	1,175
Income before cumulative effects of changes in accounting principles	3,381	1,031
Cumulative effect of changes in accounting principles, net of taxes	-	(9,951)
Net income (loss)	$ 3,381	$ (8,920)

See accompanying notes.

SILGAN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31, 1994	March 31, 1993
Cash flows from operating activities:		
Net income (loss)	$ 3,381	$ (8,920)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,376	7,484
Amortization	1,612	1,203
Other items	276	(46)
Contribution by Parent for federal income tax provision	1,800	4,400
Cumulative effect of changes in accounting principles	-	6,276
Changes in assets and liabilities:		
(Increase) in accounts receivable	(23,878)	(8,852)
(Increase) in inventories	(15,356)	(10,368)
Increase in trade accounts payable	16,752	4,388
Increase in accrued interest payable	5,467	4,157
Other, net	5,855	5,454
Total adjustments	1,904	14,096
Net cash provided by operating activities	5,285	5,176
Cash flows from investing activities:		
Capital expenditures	(4,896)	(5,463)
Net cash used in investing activities	(4,896)	(5,463)
Cash flows from financing activities:		
Borrowings under working capital loans	33,750	79,250
Repayments under working capital loans	(30,150)	(81,400)
Other	(1,525)	-
Net cash provided (used) by financing activities	2,075	(2,150)
Net increase (decrease) in cash and cash equivalents	2,464	(2,437)

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Cash and cash equivalents at beginning of year	205	2,672
Cash and cash equivalents at end of period	$ 2,669	$ 235
Supplementary data:		
Interest paid	$ 1,786	$ 1,943
Income taxes paid, net of refunds	138	(50)

See accompanying notes.

SILGAN CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at March 31, 1994 and 1993 and for the three months months then ended is unaudited)
(Dollars in thousands)

1. Basis of Presentation

The accompanying condensed unaudited consolidated financial statements of Silgan Corporation ("Silgan" or the "Company") have been prepared in accordance with Rule 10-01 of Regulation S-X and, therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with generally accepted accounting principles. All adjustments of a normal recurring nature have been made, including appropriate estimates for reserves and provisions which are normally determined or settled at year end. In the opinion of the Company, however, the accompanying financial statements contain all adjustments (consisting solely of a normal recurring nature) necessary to present fairly Silgan's financial position as of March 31, 1994 and 1993 and December 31, 1993, the results of operations for the three months ended March 31, 1994 and 1993, and the statements of cash flows for the three months ended March 31, 1994 and 1993.

While the Company believes that the disclosures presented are adequate to make the information not misleading, it is suggested that these financial statements be read in conjunction with the financial statements and notes included in Silgan's Annual Report on Form 10-K for the year ended December 31, 1993.

In the first quarter of 1993, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 106 "Employers' Accounting for Postretirement Benefits Other than Pensions" and SFAS No. 109 "Accounting for Income Taxes". In the fourth quarter of 1993, the Company adopted SFAS No. 112 "Employers' Accounting for Postemployment Benefits" effective as of January 1, 1993. The cumulative effect of theses changes in accounting methods aggregated $9,951. The financial statements for the quarter ended March 31, 1993 have been restated to reflect the adoption of SFAS No. 112.

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SILGAN CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Information at March 31, 1994 and 1993 and for the
three months months then ended is unaudited)
(Dollars in thousands)

2. Inventories

Inventories consisted of the following:

	March 31, 1994	March 31, 1993	Dec. 31, 1993
Raw materials and supplies	$ 27,274	$ 20,181	26,458
Work-in-process	20,481	10,179	17,105
Finished goods	74,444	55,906	65,072
	122,199	86,266	108,635
Adjustment to value inventory at cost on the LIFO Method	1,810	(891)	18
	$124,009	$ 85,375	$108,653

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Del Monte Corporation

We have audited the accompanying Statement of Assets, Liabilities and Net Assets of the Del Monte Corporation Can Manufacturing Operations (an operation of Del Monte Corporation) as Constituted for Sale to Silgan Containers Corporation, as of June 30, 1993, and the Schedule of Sales and Cost of Sales for the year then ended. This financial statement and schedule are the responsibility of Del Monte Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing

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standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Assets, Liabilities and Net Assets and the Schedule of Sales and Cost of Sales are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement and schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the presentation of the overall financial statement and schedule. We believe that our audit provides a reasonable basis for our opinion.

The Del Monte Corporation Can Manufacturing Operations is an operation of Del Monte Corporation and has no separate legal status or existence.

In our opinion, the Statement of Assets, Liabilities and Net Assets and the Schedule of Sales and Cost of Sales referred to above present fairly, in all material respects, the financial position of the Del Monte Corporation Can Manufacturing Operations as Constituted for Sale to Silgan Containers Corporation at June 30, 1993 and the sales and cost of sales for the year then ended in conformity with generally accepted accounting principles.

Ernst & Young
San Francisco, California
December 17, 1993

DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 1993
(Dollars in Thousands)

ASSETS	
Current assets:	
Cash	$ 2
Inventories	30,407
Prepaid expenses	6
Total current assets	30,415
Property, plant and equipment, net	36,880
TOTAL ASSETS	$67,295
LIABILITIES AND NET ASSETS	
Current liabilities:	
Trade accounts payable	$ 969
Accrued expenses	1,159
Total current liabilities	2,128
Net assets	65,167
TOTAL LIABILITIES AND NET ASSETS	$67,295

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See Notes to Financial Statement and Schedule

DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

SCHEDULE OF SALES AND COST OF SALES
YEAR ENDED JUNE 30, 1993
(Dollars in Thousands)

Sales (at manufactured cost - Note B)	$197,054
Cost of sales	$197,054

See Notes to Financial Statement and Schedule

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DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

NOTES TO FINANCIAL STATEMENT AND SCHEDULE
JUNE 30, 1993
(Dollars in Thousands)

NOTE A - BASIS OF PRESENTATION

The financial statement and schedule of Del Monte Corporation Can Manufacturing Operations as Constituted for Sale to Silgan Containers Corporation have been prepared in accordance with U.S. generally accepted accounting principles. The financial statement includes the assets to be purchased and certain related liabilities which are to be assumed of DMC's can manufacturing operations ("Can Man") pursuant to the Purchase Agreement (the "Agreement") dated September 3, 1993, as amended by the Amendment to the Purchase Agreement dated December 10, 1993, between Del Monte Corporation ("DMC") and Silgan Containers Corporation ("Silgan"). Can Man, comprising DMC's metal food and beverage container manufacturing operations, has no separate legal status or existence.

Substantially all of the metal containers produced by Can Man are used by DMC in its canning business. DMC has accounted for Can Man as a cost center. Due to DMC's highly-integrated operations, interest, general and administrative costs, including income taxes, have never been allocated to Can Man and no allocation of these costs has been made in the financial statement or schedule. As a cost center, the transfer of metal containers to DMC canneries has not resulted in the exchange of cash, and as a result, no statement of cash flows is presented.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories: Inventories are stated at the lower of cost or market utilizing the last-in, first-out (LIFO) method. For purposes of the purchase price determination, inventories will be valued utilizing the LIFO method, however there will be no adjustments for a LIFO reserve.

Property, Plant and Equipment: Property, plant and equipment is stated at cost. Significant expenditures that increase useful lives are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets. The principal estimated useful lives are: land improvements - 10 to 30 years; buildings and leasehold improvements - 4 to 25 years; machinery and equipment - 3 to 15 years.

NOTES TO FINANCIAL STATEMENT AND SCHEDULE (Continued)
JUNE 30, 1993
(Dollars in Thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales: Due to DMC's highly-integrated operations, no intercompany sale is recorded when metal containers manufactured by Can Man are transferred into the canning process. Since virtually all of DMC's metal containers have been supplied from its can manufacturing facilities, and since sales of unpacked metal containers to third parties have been minimal, DMC cannot

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reasonably estimate an arms-length market price for Can Man's metal containers. Therefore, sales in the Schedule of Sales and Cost of Sales are presented on the basis of cost and may not be indicative of market price.

Cost of sales: Cost of sales represents fully absorbed manufacturing costs directly related to the manufacturing of metal containers.

Interest and other general and administrative expenses: DMC does not allocate corporate interest or general and administrative expenses to its facilities. Accordingly, no such expenses are reflected in the Schedule of Sales and Cost of Sales.

NOTE C - INVENTORIES

Tinplate	$ 4,023
Work in process	10,421
Purchased ends	3,255
Tin ends	10,980
Aluminum plate	324
Aluminum cups and tops	1,150
Materials and supplies	800
Reserve for obsolete inventory	(236)
LIFO reserve	(310)
Total Inventory	$30,407

DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

NOTES TO FINANCIAL STATEMENT AND SCHEDULE (Continued)
JUNE 30, 1993
(Dollars in Thousands)

NOTE D - PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
Land and land improvements	$ 1,042	$ (110)	$ 932
Buildings and leasehold improvements	6,839	(903)	5,936
Machinery and equipment	41,269	(11,708)	29,561
Construction in process	451	--	451
	$49,601	$(12,721)	$36,880

Depreciation expense included in cost of sales for the year ended June 30, 1993 was $3,970.

NOTE E - COMMITMENTS

DMC leases certain equipment in connection with its can manufacturing operations. At June 30, 1993, the aggregate minimum rental payments required under operating leases which are to be assumed by Silgan that have initial or remaining terms in excess of one year are as follows:

1994	$ 107
1995	106
1996	73
1997	20
1998	5

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Thereafter	--
	$ 311

Rent expense included in cost of sales for the year ended June 30, 1993 was $942.

DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
SEPTEMBER 30, 1993
(Dollars in Thousands)
(Unaudited)

ASSETS	
Current assets:	
Cash	$ 3
Inventories	25,177
Prepaid expenses	159
Total current assets	25,339
Property, plant and equipment, net	36,511
TOTAL ASSETS	$61,850
LIABILITIES AND NET ASSETS	
Current liabilities:	
Trade accounts payable	$ 1,891
Accrued expenses	1,478
Total current liabilities	3,369
Net assets	58,481
TOTAL LIABILITIES AND NET ASSETS	$61,850

See Notes to Financial Statement and Schedule

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DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

SCHEDULE OF SALES AND COST OF SALES
(Dollars in Thousands)
(Unaudited)

	Three Months Ended September 30, 1993	1992
Sales (at manufactured cost - Note B)	$56,433	$59,929
Cost of sales	$56,433	$59,929

See Notes to Financial Statement and Schedule

DEL MONTE CORPORATION CAN MANUFACTURING OPERATIONS
AS CONSTITUTED FOR SALE TO SILGAN CONTAINERS CORPORATION

NOTES TO FINANCIAL STATEMENT AND SCHEDULE
SEPTEMBER 30, 1993
(Dollars in Thousands)

NOTE A - BASIS OF PRESENTATION

The financial statement and schedule of Del Monte Corporation Can Manufacturing Operations as Constituted for Sale to Silgan Containers

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Corporation at September 30, 1993 and for the three-month periods ended September 30, 1993 and 1992 are unaudited, but have been prepared in accordance with U.S. generally accepted accounting principles. The financial statement includes the assets to be purchased and certain related liabilities which are to be assumed of DMC's can manufacturing operations ("Can Man") pursuant to the Purchase Agreement (the "Agreement") dated September 3, 1993, as amended by the Amendment to the Purchase Agreement dated December 10, 1993, between Del Monte Corporation ("DMC") and Silgan Containers Corporation ("Silgan"). Can Man, comprising DMC's metal food and beverage container manufacturing operations, has no separate legal status or existence.

Substantially all of the metal containers produced by Can Man are used by DMC in its canning business. DMC has accounted for Can Man as a cost center. Due to DMC's highly-integrated operations, interest, general and administrative costs, including income taxes, have never been allocated to Can Man and no allocation of these costs has been made in the financial statement or schedule. As a cost center, the transfer of metal containers to DMC canneries has not resulted in the exchange of cash, and as a result, no statement of cash flows is presented.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories: Inventories are stated at the lower of cost or market utilizing the last-in, first-out (LIFO) method. For purposes of the purchase price determination, inventories will be valued utilizing the LIFO method, however there will be no adjustments for a LIFO reserve.

Property, Plant and Equipment: Property, plant and equipment is stated at cost. Significant expenditures that increase useful lives are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets. The principal estimated useful lives are: land improvements - 10 to 30 years; buildings and leasehold improvements - 4 to 25 years; machinery and equipment - 3 to 15 years.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales: Due to DMC's highly-integrated operations no intercompany sale is recorded when metal containers manufactured by Can Man are transferred into the canning process. Since virtually all of DMC's metal containers have been supplied from its can manufacturing facilities, and since sales of unpacked metal containers to third parties have been minimal, DMC cannot reasonably estimate an arms-length market price for Can Man's metal containers. Therefore, sales in the Schedule of Sales and Cost of Sales are presented on the basis of cost and may not be indicative of market price.

Cost of sales: Cost of sales represents fully absorbed manufacturing costs directly related to the manufacturing of metal containers.

Interest and other general and administrative expenses: DMC does not allocate corporate interest or general and administrative expenses to its facilities. Accordingly, no such expenses are reflected in the Schedule of Sales and Cost of Sales.

NOTE C - INVENTORIES

	September 30, 1993

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Tinplate	$ 4,777
Work in process	9,839
Purchased ends	1,822
Tin ends	6,369
Aluminum plate	289
Aluminum cups and tops	1,809
Materials and supplies	822
Reserve for obsolete inventory	(236)
LIFO reserve	(314)
Total Inventory	$25,177

SILGAN CORPORATION
PRO FORMA UNAUDITED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1993
(Dollars in Thousands)

Set forth below is the Company's summary pro forma unaudited combined statement of operations for the year ended December 31, 1993 which include the historical results of DM Can for the period ended December 21, 1993 and give effect to the pro forma adjustments.

The pro forma adjustments to the historical results of operations reflect the sales prices set forth in a supply agreement with Del Monte, the estimated effect of purchase accounting adjustments based upon preliminary appraisals and evaluations, the financing of the acquisition and certain other adjustments as if these events had occurred as of the beginning of the periods mentioned therein. The following unaudited pro forma results of operations do not purport to represent what the Company's results of operations would actually have been had the transaction in fact occurred on the date indicated or to project the Company's results for any future period.

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SILGAN CORPORATION
PRO FORMA UNAUDITED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1993
(Dollars in Thousands)

	Historical	DM Can	Pro Forma Adjustments	Pro Forma
Net sales	$645,468	$175,169	$ (2,023)(a)	$818,614
			1,516 (b)	
			330 (c)	
Cost of goods sold	571,174	175,169	(14,704)(d)	733,485
Gross profit	74,294	$ -	10,835	85,129
Selling, general and administrative expenses	31,786		2,000 (e)	33,786
Income from operations	42,508	-	8,835	51,343
Interest expense and other related financing costs	27,928		4,503 (f)	32,431
Other expense	35		-	35
Income before income taxes	14,545		4,332	18,877
Income tax provision	6,300		1,733 (g)	8,033
Income before extraordinary charges and cumulative effect of changes in accounting principles	$ 8,245		$ 2,599	$ 10,844

SILGAN CORPORATION
NOTES TO PRO FORMA UNAUDITED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1993

(a) Historical net sales have been adjusted to reflect the prices set forth in the supply agreement with Del Monte as applied against quantities delivered.

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(b) Increased depreciation charge based upon the estimated fair values of property, plant and equipment and applying Silgan's estimated useful life of 25 years for buildings and improvements and 3 - 11 years for machinery and equipment.

(c) Amortization of excess of fair value over net assets acquired over estimated life of 20 years.

(d) Decreased cost of goods sold for the difference between DM Can's historical cost to produce units transferred to Del Monte and the cost as calculated by the Company to produce such units based upon the actual units transferred multiplied by the Company's calculated cost of material, labor and overhead for each can specification.

(e) Increase in administrative support services which will be incurred as a result of the increased sales volume of DM Can.

(f) Estimated increase in interest expense due to additional bank borrowings of approximately $70 million at a rate of 6.5% (the 1993 average annual bank borrowing rate) to finance the acquisition of DM Can.

(g) Adjustment for estimated effective income tax rate as calculated in accordance with SFAS 109 applied to pro forma income before income taxes.

PART II: INFORMATION NOT REQUIRED IN PROSPECTUS

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 filed with Silgan's Annual Report on Form 10-K for the year ended December 31, 1993, Commission File No. 1-11200).
3.2	By-laws of the Company (incorporated by reference to Exhibit 3(ii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).
3.3	Restated Certificate of Incorporation of Holdings (incorporated by reference to Exhibit 1 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).

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3.4 By-laws of Holdings (incorporated by reference to Exhibit 3.4 filed with the Company's Registration Statement on Form S-1, dated May 1, 1989, Registration Statement No. 33-28409).

4.1 Indenture dated as of June 29, 1992, between the Company and Shawmut Bank, N.A., as Trustee, with respect to the 11-3/4% Notes (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K dated July 15, 1992, Commission File No. 33-46499).

4.2 Secured Notes Purchase Agreement dated as of June 29, 1992, between the Company and Morgan Stanley (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K dated July 15, 1992, Commission File No. 33-46499).

4.3 Indenture, dated as of June 29, 1992, between Holdings and The Connecticut National Bank, as trustee, with respect to the Holdings Discount Debentures (incorporated by reference to Exhibit 1 filed with Holdings' Current Report on Form 8-K dated July 15, 1992, Commission File No. 33-47632).

4.4 Form of the Company's 11-3/4% Senior Subordinated Notes due 2002 (incorporated by reference to Exhibit 4.5 filed with Holdings' Annual Report on Form 10-K for the year ended December 31, 1992, Commission File No. 33-28409).

4.5 Form of Holdings' 13-1/4% Senior Discount Debentures due 2002 (incorporated by reference to Exhibit 4.4 filed with Holdings' Annual Report on Form 10-K for the year ended December 31, 1992, Commission File No. 33-28409).

4.6 Registration Rights Agreement, dated August 31, 1987, among the Company and each of the Purchasers who are signatory thereto with respect to the Company's Class B Common Stock (incorporated by reference to Exhibit 10(ii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

5 Opinion of Winthrop, Stimson, Putnam & Roberts as to the legality of the 11-3/4% Notes (incorporated by reference to Exhibit 5 filed with Amendment No. 4 to Silgan's Registration Statement on Form S-1, dated June 19, 1992, Registration Statement No. 33-46499).

8 Opinion of Winthrop, Stimson, Putnam & Roberts as to tax matters (incorporated by reference to Exhibit 8 filed with Post-Effective Amendment No. 1 to Silgan's Registration Statement on Form S-1, dated June 18, 1993, Registration Statement No. 33-46499).

10.1 Agreement for Purchase and Sale of Assets, dated as of June 18, 1987, between Carnation Company and Canaco Corporation (Containers) (incorporated by reference to Exhibit 2(i) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

10.2 First Amendment to Agreement for Purchase and Sale of Assets, dated as of July 15, 1987, between Carnation Company and Canaco Corporation (Containers) (incorporated by reference to Exhibit 2(ii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

10.3 Second Amendment to Agreement for Purchase and Sale of Assets, dated as of August 31, 1987, between Carnation Company and Canaco Corporation (Containers) (incorporated by reference to Exhibit 2(iii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

10.4 Asset Purchase Agreement, dated as of July 29, 1987, between Plastico Corporation (Plastics) and Monsanto Company (incorporated by reference to Exhibit 2(iv) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

10.5 First Amendment to the Asset Purchase Agreement, dated as of July 29, 1987, between Plastico Corporation (Plastics) and Monsanto Company (incorporated by reference to Exhibit 2(v) filed with the Company's Registration Statement on Form S-1,

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dated January 11, 1988, Registration Statement No. 33-18719).

10.6 Agreement for Purchase and Sale of Assets, dated as of September 27, 1988, between Carnation Company and Containers (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K, dated October 17, 1988).

10.7 Agreement for Purchase and Sale of Cartons, effective October 1, 1988, between Containers and Carnation Company (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated October 17, 1988).

10.8 Agreement for Sale and Purchase of Containers, dated as of December 3, 1988, between Containers and Dial (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated December 19, 1988).

10.9 Asset Purchase Agreement, dated as of November 7, 1988, between Containers and Dial (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K, dated December 19, 1988).

10.10 Amended and Restated Stock Purchase Agreement, dated as of January 1, 1989, among Aim, certain shareholders of Aim, and the Company (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K, dated March 15, 1989).

10.11 Assignment and Assumption, dated as of March 1, 1989, between the Company and InnoPak Plastics Corporation (Plastics) (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated March 15, 1989).

10.12 Agreement for Purchase and Sale of Assets between Fortune and InnoPak Plastics Corporation (Plastics) dated as of March 1, 1989 (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K, dated April 14, 1989).

10.13 Amendment to Agreement for Purchase and Sale of Assets, dated as of March 30, 1989, between Fortune and InnoPak Plastics Corporation (Plastics) (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K, dated April 14, 1989).

10.14 Assignment and Assumption Agreement, dated as of March 31, 1989, between InnoPak Plastics Corporation (Plastics) and Fortune Acquisition Corporation (incorporated by reference to Exhibit 3 to the Company's Current Report on Form 8-K, dated April 14, 1989).

10.15 Agreement for Purchase and Sale of Shares between and among InnoPak Plastics Corporation (Plastics), Gordon Malloch and Jurgen Arnemann and Express, dated as of March 1, 1989 (incorporated by reference to Exhibit 5 to the Company's Current Report on Form 8-K, dated April 14, 1989).

10.16 Amendment to Agreement for Purchase and Sale of Shares, dated as of March 31 , 1989, among InnoPak Plastics Corporation (Plastics), Express, Gordon Malloch and Jurgen Arnemann (incorporated by reference to Exhibit 6 to the Company's Current Report on Form 8-K, dated April 14, 1989).

10.17 Assignment and Assumption Agreement dated as of March 31, 1989, between InnoPak Plastics Corporation (Plastics) and 827598 Ontario Inc. (incorporated by reference to Exhibit 7 to the Company's Current Report on Form 8-K, dated April 14, 1989).

10.18 Employment Agreement, dated as of September 14, 1987, between James Beam and Canaco Corporation (Containers) (incorporated by reference to Exhibit 10(vi) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

10.19 Amended and Restated Employment Agreement, dated as of June 18, 1987, between Gerald Wojdon and Canaco Corporation (Containers) (incorporated by reference to Exhibit 10(vii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719).

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10.20	Employment Agreement, dated as of September 1, 1989, between the Company, InnoPak Plastics Corporation (Plastics), Russell F. Gervais and Aim (incorporated by reference to Exhibit 5 filed with the Company's Report on Form 8-K, dated March 15, 1989).
10.21	Supply Agreement for Gridley, California effective August 31, 1987 (incorporated by reference to Exhibit 10(ix) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.22	Amendment to Supply Agreement for Gridley, California, dated July 1, 1990 (incorporated by reference to Exhibit 10.27 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.23	Supply Agreement for Gustine, California effective August 31, 1987 (incorporated by reference to Exhibit 10(x) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.24	Amendment to Supply Agreement for Gustine, California, dated March 1, 1990 (incorporated by reference to Exhibit 10.29 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.25	Supply Agreement for Hanford, California effective August 31, 1987 (incorporated by reference to Exhibit 10(xi) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.26	Amendment to Supply Agreement for Hanford, California, dated July 1, 1990 (incorporated by reference to Exhibit 10.31 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.27	Supply Agreement for Riverbank, California effective August 31, 1987 (incorporated by reference to Exhibit 10(xii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.28	Supply Agreement for Woodland, California effective August 31, 1987 (incorporated by reference to Exhibit 10(xiii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.29	Amendment to Supply Agreement for Woodland, California, dated July 1, 1990 (incorporated by reference to Exhibit 10.34 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.30	Supply Agreement for Morton, Illinois, effective August 31, 1987 (incorporated by reference to Exhibit 10(vii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.31	Amendment to Supply Agreement for Morton, Illinois, dated July 1, 1990 (incorporated by reference to Exhibit 10.36 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.32	Supply Agreement for Ft. Dodge, Iowa, effective August 31, 1987

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(incorporated by reference to Exhibit 10(xiv) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.33 Amendment to Supply Agreement for Ft. Dodge, Iowa, dated March 1, 1990 (incorporated by reference to Exhibit 10.38 filed with the Company's Registration statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.34 Supply Agreement for Maysville, Kentucky, effective August 31, 1987 (incorporated by reference to Exhibit 10(xvi) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.35 Amendment to Supply Agreement for Maysville, Kentucky, dated March 1, 1990 (incorporated by reference to Exhibit 10.40 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.36 Supply Agreement for St. Joseph, Missouri, effective August 31, 1987 (incorporated by reference to Exhibit 10(xvii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.37 Amendment to Supply Agreement for St. Joseph, Missouri, dated March 1, 1990 (incorporated by reference to Exhibit 10.42 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.38 Supply Agreement for Trenton, Missouri, effective August 31, 1987 (incorporated by reference to Exhibit 10(xviii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.39 Amendment to Supply Agreement for Trenton, Missouri, dated March 1, 1990 (incorporated by reference to Exhibit 10.44 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.40 Supply Agreement for South Dayton, New York, effective August 31, 1987 (incorporated by reference to Exhibit 10(xix) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.41 Amendment to Supply Agreement for South Dayton, New York, dated March 1, 1990 (incorporated by reference to Exhibit 10.46 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.42 Supply Agreement for Statesville, North Carolina, effective August 31, 1987 (incorporated by reference to Exhibit 10(xx) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.43 Supply Agreement for Hillsboro, Oregon, effective August 31, 1987 (incorporated by reference to Exhibit 10(xxi) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.44 Amendment to Supply Agreement for Hillsboro, Oregon, dated March

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1, 1990 (incorporated by reference to Exhibit 10.49 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).

10.45	Supply Agreement for Moses Lake, Washington, effective August 31, 1987 (incorporated by reference to Exhibit 10(xxii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.46	Amendment to Supply Agreement for Moses Lake, Washington, dated March 1, 1990 (incorporated by reference to Exhibit 10.51 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.47	Supply Agreement for Jefferson, Wisconsin, effective August 31, 1987 (incorporated by reference to Exhibit 10(xxiii) filed with the Company's Registration Statement on Form S-1, dated January 11, 1988, Registration Statement No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.48	Amendment to Supply Agreement for Jefferson, Wisconsin, dated March 1, 1990 (incorporated by reference to Exhibit 10.53 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.49	Supply Agreement for Seaboard, effective October 1, 1988 (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated October 17, 1988).
10.50	Supply Agreement for Fort Madison, dated as of December 3, 1988 (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated December 19, 1988).
10.51	Amendment to Supply Agreements dated November 17, 1989 for Ft. Dodge, Iowa; Hillsboro, Oregon; Jefferson, Wisconsin; St. Joseph, Missouri; and Trenton, Missouri (incorporated by reference to Exhibit 10.49 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.52	Raw Materials Agreement, dated as of November 12, 1986, by and between Carnation and Alcoa (incorporated by reference to Exhibit 10(xxxix) filed with the Company's Registration Statement on Form S-1, dated September 14, 1988, Registration Statement No. 33-18719).
10.53	Assignment of Raw Materials Agreement, dated as of August 31, 1987, by and between Carnation and Alcoa (incorporated by reference to Exhibit 10(xl) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.54	Amendment to Raw Materials Agreement, dated February 21, 1990, by and between Containers and Alcoa (incorporated by reference to Exhibit 10.52 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719) (Portions of this Exhibit are subject to confidential treatment pursuant to order of the Commission).
10.55	InnoPak Plastics Corporation (Plastics) Pension Plan for Salaried Employees (incorporated by reference to Exhibit 10.32 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1988, Commission File No. 33-18719).
10.56	InnoPak Plastics Corporation (Plastics) Compensation Investment Plan for Salaried Employees (incorporated by reference to Exhibit (xli) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).

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10.57	Containers Pension Plan for Salaried Employees (incorporated by reference to Exhibit 10.34 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1988, Commission File No. 33-18719).
10.58	Non-Competition Agreement, dated as of January 1, 1989, among the Company, Aim, and certain shareholders of Aim (incorporated by reference to Exhibit 4 filed with the Company's Current Report on Form 8-K, dated March 15, 1989).
10.59	Sharonville Conversion Agreement, dated as of August 31, 1987, between Monsanto and InnoPak Plastics Corporation (Plastics) (incorporated by reference to Exhibit 10(xxix) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.60	Consent, dated August 11, 1987, by Yoshino Kogyosno Co., Ltd. to the Sharonville Conversion Agreement (incorporated by reference to Exhibit 10(xxx) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.61	Lease, dated as of August 31, 1987, between Monsanto and InnoPak Plastics Corporation (Plastics), concerning the land and plant in Anaheim, California (incorporated by reference to Exhibit 10(xxxi) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.62	Assignment and Assumption Agreement, dated as of August 31, 1987, between Monsanto and Innopak Plastics Corporation (Plastics), with respect to certain premises known as the Westport Plant located in Westport, Missouri (incorporated by reference to Exhibit 10(xxxii) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.63	Amendment to Lease, dated August 31, 1987, between Houston/St. Louis Properties (Successor) and InnoPak Plastics Corporation (Plastics), with respect to property located in Westport, Missouri (incorporated by reference to Exhibit 10(xxxiii) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.64	Assignment and Assumption Agreement, dated as of August 31, 1987, between Monsanto and InnoPak Plastics Corporation (Plastics), with respect to certain premises at 2469 Schuetz Road, Westport, Missouri (incorporated by reference to Exhibit 10(xxxiv) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.65	Assignment and Assumption Agreement, dated as of August 31, 1987, between Monsanto and InnoPak Plastics Corporation (Plastics), with respect to certain premises at 2451 Schuetz Road, Westport, Missouri (incorporated by reference to Exhibit 10(xxxv) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.66	Landlord Estoppel Certificates dated August 17, 1987, with respect to real property lease located in Westport, Missouri (incorporated by reference to Exhibit 10(xxxvi) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.67	Landlord Estoppel Certificates dated August 25, 1987, with respect to real property lease covering certain premises at 2451 Schuetz Road, Westport, Missouri (incorporated by reference to Exhibit 10(xxxvii) filed with the Company's Post-Effective Amendment No. 4 to its Registration Statement on Form S-1, dated September 14, 1988, Registration No. 33-18719).
10.68	Express Guaranty dated as of March 31, 1989 (incorporated by reference to Exhibit 10.66 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

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10.69 Express Security Agreement dated as of March 31, 1989 (incorporated by reference to Exhibit 10.67 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.70 Canadian Holdco Guaranty dated as of March 31, 1989 (incorporated by reference to Exhibit 10.68 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.71 Canadian Holdco Pledge Agreement dated as of March 31, 1989 (incorporated by reference to Exhibit 10.69 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.72 Canadian Acquisition Co. Guaranty dated as of March 31, 1989 (incorporated by reference to Exhibit 10.70 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.73 Canadian Acquisition Co. Pledge Agreement dated as of March 31, 1989 (incorporated by reference to Exhibit 10.71 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.74 Agreement and Plan of Merger, dated as of April 28, 1989, among Holdings, Acquisition and the Company (incorporated by reference to Exhibit 2.6 to Holdings' Registration Statement on Form S-1, dated May 1, 1989, Registration No. 33-28409).

10.75 Lease between Containers and Riverbank Venture dated May 1, 1990 (incorporated by reference to Exhibit 10.99 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719).

10.76 Loan Agreement between The Iowa Department of Economic Development, City of Iowa City and Iowa City Can Manufacturing Company, dated November 17, 1988 (incorporated by reference to Exhibit 10.100 filed with the Company's Annual Report on Form 10-K for the year ended December 31,1989, Commission File No. 33-18719).

10.77 Promissory Note and Promissory Note Agreement dated November 17, 1988 from Iowa City Can Manufacturing Company to the City of Iowa City (incorporated by reference to Exhibit 10.101 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719).

10.78 Mortgage between City of Iowa City, Iowa City Can Manufacturing Company and Michael Development dated January 5, 1990 (incorporated by reference to Exhibit 10.102 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719).

10.79 Containers Master Equipment Lease with Decimus Corporation, dated as of October 11, 1989 (incorporated by reference to Exhibit 10.103 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1989, Commission File No. 33-18719).

10.80 Underwriting Agreement dated June 22, 1989 between Holdings and Morgan Stanley (incorporated by reference to Exhibit 1 filed with Amendment No. 4 to Holdings' Registration Statement on Form S-1, dated June 23, 1989, Registration Statement No. 33-28409).

10.81 Amended and Restated Tax Allocation Agreement by and among Holdings, the Company, Containers, InnoPak Plastics Corporation (Plastics), Aim, Fortune, SPHI and Silgan PET dated as of July 13, 1990 (incorporated by reference to Exhibit 10.107 filed with Post-Effective Amendment No. 6 to the Company's Registration Statement on Form S-1, dated August 20, 1990, Registration Statement No. 33-18719).

10.82 Sublease Agreement between Amoco and PET Acquisition Corp. (Silgan PET) dated July 24, 1989 (incorporated by reference to Exhibit 10.111 filed with Post-Effective Amendment No. 6 to the Company's Registration Statement on Form S-1, dated August 20, 1990, Registration Statement No. 33-18719).

10.83 Lease Agreement between the Trustees of Cabot 95 Trust and Amoco

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Plastic Products Company dated August 16, 1978 (incorporated by reference to Exhibit 10.112 filed with Post-Effective Amendment No. 6 to the Company's Registration Statement on Form S-1, dated August 20, 1990, Registration Statement No. 33-18719).

10.84	Contribution Agreement by and among Messrs. Silver, Horrigan, Rankin and Rodriguez, MSLEF II and BTNY dated as of July 13, 1990 (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated July 1990).
10.85	Asset Purchase Agreement, dated as of November 1, 1991 by and among Silgan PET, Holdings and Sewell Plastics, Inc. (incorporated by reference to Exhibit 1 filed with the Company's Current Report on Form 8-K, dated December 2,1991).
10.86	Inventory and Equipment Purchase Agreement, dated as of November 1, 1991 by and among Silgan PET, Holdings and Sewell Plastics, Inc. (incorporated by reference to Exhibit 2 filed with the Company's Current Report on Form 8-K, dated December 2, 1991).
10.87	Letter Agreement, dated November 15, 1991, amending the Asset Purchase Agreement dated as of November 1, 1991 by and among Silgan PET, Holdings and Sewell Plastics, Inc. (incorporated by reference to Exhibit 3 to the Company's Current Report on Form 8-K, dated December 2, 1991).
10.88	Letter Agreement, dated November 15, 1991, amending the Inventory and Equipment Purchase Agreement dated as of November 1, 1991 by and among Silgan PET, Holdings and Sewell Plastics, Inc. (incorporated by reference to Exhibit 4 filed with the Company's Current Report on Form 8-K, dated December 2,1991).
10.89	Letter Agreement, dated November 31, 1991, amending the Inventory and Equipment Purchase Agreement dated as of November 1, 1991 by and among Silgan PET, Holdings and Sewell Plastics, Inc. (incorporated by reference to Exhibit 5 filed with the Company's Current Report on Form 8-K, dated December 2, 1991).
10.90	Containers Deferred Incentive Savings Plan (incorporated by reference to Exhibit 10.144 filed with the Company's Registration Statement on Form S-1, dated March 18, 1992, Registration Statement No. 33-46499).
10.91	Amended and Restated Credit Agreement dated as of June 18, 1992, among the Company, Containers, Plastics, various banks and Bankers Trust, as Agent (incorporated by reference to Exhibit 4 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.92	Amended and Restated Pledge Agreement dated as of June 18, 1992, made by the Company (incorporated by reference to Exhibit 5 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.93	Amended and Restated Pledge Agreement dated as of June 18, 1992, made by Containers and Plastics (incorporated by reference to Exhibit 6 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.94	Amended and Restated Pledge Agreement dated as of June 18, 1992, made by Holdings (incorporated by reference to Exhibit 7 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.95	Amended and Restated Security Agreement dated as of June 18, 1992, among Plastics, Containers and Bankers Trust (incorporated by reference to Exhibit 8 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.96	Amended and Restated Holdings Guaranty dated as of June 18, 1992 (incorporated by reference to Exhibit 9 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.97	Borrowers Guaranty, dated as of June 18, 1992, made by the Company, Containers and Plastics (incorporated by reference to Exhibit 10 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.98	Subsidiaries Guarantee, dated as of June 29, 1992, of Containers

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and Plastics (incorporated by reference to Exhibit 11 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).

10.99	Underwriting Agreement, dated June 22, 1992, between the Company and Morgan Stanley with respect to the 11-3/4% Notes (incorporated by reference to Exhibit 3 filed with the Company's Current Report on Form 8-K, dated July 15, 1992, Commission File No. 33-46499).
10.100	Silgan Containers Corporation Second Amended and Restated 1989 Stock Option Plan (incorporated by reference to Exhibit 10.100 filed with Post-Effective Amendment No. 2 to the Company's Registration Statement on Form S-1, dated May 11, 1994, Commission File No. 33-46499).
10.101	Form of Containers Nonstatutory Restricted Stock Option and Stock Appreciation Right Agreement (incorporated by reference to Exhibit 10.100 filed with Holdings' Annual Report on Form 10-K for the year ended December 31, 1992, Commission File No. 33-28409).
10.102	Silgan Plastics Corporation 1994 Stock Option Plan (incorporated by reference to Exhibit 10.102 filed with Post-Effective Amendment No. 2 to the Company's Registration Statement on Form S-1, dated May 11, 1994, Commission File No. 33-46499).
10.103	Form of Plastics Nonstatutory Restricted Stock Option and Stock Appreciation Right Agreement (incorporated by reference to Exhibit 10.103 filed with Post-Effective Amendment No. 2 to the Company's Registration Statement on Form S-1, dated May 11, 1994, Commission File No. 33-46499).
10.104	Silgan Holdings Inc. Second Amended and Restated 1989 Stock Option Plan (incorporated by reference to Exhibit 10.104 filed with Post-Effective Amendment No. 2 to the Company's Registration Statement on Form S-1, dated May 11, 1994, Commission File No. 33-46499).
10.105	Form of Holdings Nonstatutory Restricted Stock Option and Stock Appreciation Right Agreement (incorporated by reference to Exhibit 10.124 filed with Holdings' Annual Report on Form 10-K for the year ended December 31, 1992, Commission File No. 33-28409).
10.106	Purchase Agreement, dated as of September 3, 1993, between Containers and Del Monte (incorporated by reference to Exhibit 1 filed with Holdings' Current Report on Form 8-K, dated January 5, 1994, Commission File No. 33-28409).
10.107	Amendment to Purchase Agreement, dated as of December 10, 1993, between Containers and Del Monte (incorporated by reference to Exhibit 2 filed with Holdings' Current Report on Form 8-K, dated January 5, 1994, Commission File No. 33-28409).
10.108	Amended and Restated Organization Agreement, dated as of December 21, 1993, among R. Philip Silver, D. Greg Horrigan, MSLEF II, BTNY, First Plaza and Holdings (incorporated by reference to Exhibit 2 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.109	Stockholders Agreement, dated as of December 21, 1993, among R. Philip Silver, D. Greg Horrigan, MSLEF II, BTNY, First Plaza and Holdings (incorporated by reference to Exhibit 3 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).

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10.110	Amended and Restated Management Services Agreement, dated as of December 21, 1993, between S&H and Holdings (incorporated by reference to Exhibit 4 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.111	Amended and Restated Management Services Agreement, dated as of December 21, 1993, between S&H and Silgan (incorporated by reference to Exhibit 5 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.112	Amended and Restated Management Services Agreement, dated as of December 21, 1993, between S&H and Containers (incorporated by reference to Exhibit 6 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.113	Amended and Restated Management Services Agreement, dated as of December 21, 1993, between S&H and Plastics (incorporated by reference to Exhibit 7 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.114	Stock Purchase Agreement, dated as of December 21, 1993, between Holdings and First Plaza (incorporated by reference to Exhibit 8 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.115	Credit Agreement, dated as of December 21, 1993, among Silgan, Containers, Plastics, the lenders from time to time party thereto, Bank of America, as co-agent, and Bankers Trust, as agent (incorporated by reference to Exhibit 9 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.116	Amended and Restated Holdings Guaranty, dated as of December 21, 1993, made by Holdings (incorporated by reference to Exhibit 10 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.117	Amended and Restated Borrowers Guaranty, dated as of December 21, 1993, made by Silgan, Containers, Plastics and California-Washington Can Corporation (incorporated by reference to Exhibit 11 filed with Holdings' Current Report on Form 8-K, dated March 25, 1994, Commission File No. 33-28409).
10.118	Supply Agreement, dated as of September 3, 1993, between Containers and Del Monte (incorporated by reference to Exhibit 10.118 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1993, Commission File No. 1-11200). (Portions of this Exhibit are subject to an application for confidential treatment filed with the Commission.)
10.119	Amendment to Supply Agreement, dated as of December 21, 1993, between Containers and Del Monte (incorporated by reference to Exhibit 10.119 filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1993, Commission File No. 1-11200). (Portions of this Exhibit are subject to an application for confidential treatment filed with the Commission.)
*12.1	Computations of Ratio of Earnings to Fixed Charges for three months ended March 31, 1994 and 1993.
12.2	Computations of Ratio of Earnings to Fixed Charges for the years ended December 31, 1993, 1992, 1991, 1990 and 1989 (incorporated by reference to Exhibit 12.1 filed with Post-Effective Amendment No. 2 to the Company's Registration Statement on Form S-1, dated May 11, 1994, Registration No. 33-46499).
22	Subsidiaries of the Registrant (incorporated by reference to

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Exhibit 22 filed with Silgan's Annual Report on Form 10-K for the year ended December 31, 1993, Commission File No. 1-11200).

*24 Consent of Ernst & Young.

25 Power of Attorney (incorporated by reference to Exhibit 25 filed with Post-Effectvie Amendment No. 2 to the Company's Registration Statement on Form S-1, dated on May 11, 1994, Registration No. 33-46499).

26 Statement of Eligibility of Trustee (incorporated by reference to Exhibit 26 filed with Amendment No. 3 to Silgan's Registration Statement on Form S-1, dated June 8, 1992, Registration Statement No. 33-46499.

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* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Stamford, State of Connecticut, on August 2, 1994.

SILGAN CORPORATION

By /s/ R. Philip Silver

R. Philip Silver
Chairman of the Board and
Co-Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ R. Philip Silver (R. Philip Silver)	Chairman of the Board and Co-Chief Executive Officer (Principal Executive Officer)	August 2, 1994
D. Greg Horrigan * (D. Greg Horrigan)	President, Co-Chief Executive Officer and Director	August 2, 1994
James S. Hoch * (James S. Hoch)	Vice President, Assistant Secretary and Director	August 2, 1994
Robert H. Niehaus * (Robert H. Niehaus)	Vice President, Assistant Secretary and Director	August 2, 1994
Harley Rankin, Jr. * (Harley Rankin, Jr.)	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	August 2, 1994
Harold J. Rodriguez, Jr. * (Harold J. Rodriguez, Jr.)	Vice President, Controller and Assistant Treasurer (Principal Accounting Officer)	August 2, 1994

/s/ R. Philip Silver
- -----------------------------
(R. Philip Silver)

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Attorney-in-fact

INDEX TO EXHIBITS

Exhibit No.	Exhibit
12.1	Computations of Ratio of Earnings to Fixed Charges for the three months ended March 31, 1994 and 1993.
24	Consent of Ernst & Young.

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EXHIBIT 12.1

COMPUTATIONS OF RATIO OF EARNINGS TO FIXED CHARGES

The following table reflects the Company's computation of the ratio of earnings to fixed charges for the periods indicated.

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
	(Dollars in Thousands)	
Income before income taxes	5,756	$ 2,206
Add:		
Interest expense and amortization of debt expense	8,369	6,733
Rental expense representative of the interest factor	747	602
Income as adjusted	$14,872	$ 9,541
Fixed charges:		
Interest expense and amortization of debt expense	$ 8,369	$ 6,733
Rental expense representative of the interest factor	747	602
Total fixed charges	$ 9,116	$ 7,335
Ratio of earnings to fixed charges	1.63	1.30

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EXHIBIT 24

Consent of Independent Auditors

We consent to the references to our firm under the caption "Experts" and to the use of our reports dated March 10, 1994 with respect to the consolidated financial statements of Silgan Corporation and to our report dated December 17, 1993 with respect to the financial statements of the Del Monte Corporation Can Manufacturing Operations as constituted for sale to Silgan Corporation included in the Post-Effective Amendment No. 3 to the Registration Statement (Form S-1, No. 33-46499) and related Prospectus of Silgan Corporation for the registration of $135,000,000 of 11 3/4% Senior Subordinated Notes Due 2002.

ERNST & YOUNG LLP

/s/ Ernst & Young LLP

Stamford, Connecticut
August 1, 1994

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