

IN THE COURT OF COMMON PLEAS
BUTLER COUNTY, OHIO

IN RE: ALL ASBESTOS-RELATED	:
PERSONAL INJURY OR DEATH	:
CASES FILED OR TO BE FILED	:
BY BARON & BUDD, P.C.	:
IN BUTLER COUNTY, OHIO	:

RESPONSES OF DEFENDANT, CROWN CORK & SEAL COMPANY TO
PLAINTIFFS' REQUEST FOR PRODUCTION OF DOCUMENTS

TO: DEFENDANT Crown Cork & Seal Company, Inc., by and through its attorney of record, Robert L. Davis, Esq., 3600 Carew Tower, Cincinnati, OH 45202.

COME NOW, Plaintiffs, by and through counsel of record, and pursuant to Ohio Civil Rule 34 directs the Defendant, Crown Cork & Seal Company, Inc., to produce the following documents, objects or tangible things for inspection, copying, reproduction and photographing. For purposes of these Request for Production, the following definitions apply:

DEFINITIONS

1. The words "Defendant," "You," "Your," "Your company," all mean the corporate Defendant separately answering these Interrogatories, and any of its merged, consolidated, or acquired predecessors, divisions, subsidiaries, foreign subsidiaries, foreign subsidiaries of predecessors, and/or affiliates. This includes, but is not limited to, those known to have mined, manufactured, sold, marketed, utilized or distributed asbestos or asbestos-containing products or that incorporated asbestos or asbestos-containing products at any work site. This definition includes present and former officers, directors, servants, agents, employees, and all other persons acting or purporting to act on behalf of the corporate Defendant or its predecessors, subsidiaries, and/or affiliates. "Predecessors" further means any business firm, whether or not incorporated, which had all or some of its assets purchased by you or came to be acquired by

you whether by merger, consolidation, or otherwise. "Subsidiaries" further means any business firm, whether or not incorporated, which is or was in any way owned or controlled, in whole or in part by Defendant or its predecessors.

2. "Document" includes, but is not limited to, correspondence, letter, memoranda, message, note, report, cable, telegram, photograph, film, tape, and all other written communications of every kind and character; note, recording disk, or any other record of oral communication; microfilm; worksheet; schedule; exhibit; demonstrative aid; letter; contract; agreement; deeds, bills of sale, deeds of trust, security agreements, leases and other instruments or documents of title; maps; diagrams; logs; summaries; printouts; graphs, charts; compilations, tables; publications; manuals; minutes; by-laws; articles of incorporation; resolution; shareholder endorsements; partnership documents; minute books, diaries; calendars, bank statements, tax returns; lists; tapes, video tapes; and any other data compilations from which information can be obtained and translated.

3. "Identify" means to give the date, title, origin, author, and addressee to enable plaintiff to retrieve it from a file; and further, identify means to give the name, address, position, title, and whether a person is employed or not employed by the Defendant.

4. The words "person" or "persons" include natural persons, firms, partnerships, associations, joint ventures, corporations, and any other form of business organization or arrangement, and officers, directors, shareholders, employees, agents, and contractors of any business organization or arrangement.

5. The words "meeting" or "meetings" may mean any coincidence or presence of any persons, whether or not such coincidence or presence was pre-arranged, was formal or

informal, or was in connection with some other activity.

6. The words "describe" or "description", when referring to a place, thing, or occurrence, mean to identify with sufficient particularity the place, thing, or occurrence so as to enable one to locate, examine and fully comprehend or understand the place, thing, or occurrence described.

7. The words "product containing asbestos fibers," "asbestos-containing products," "asbestos products" all refer to any products or materials prepared in any way for sale and/or distribution that contained any kind of asbestos in any possible form. The words "asbestos materials" refer to any and all materials, substance, or matter used or assembled or fabricated during the manufacture of a product, and that contain at least some asbestos fibers. "Product" includes, but is not limited to, pipe covering, turbines, cement, block, gaskets, packing, plaster, joint compound, floor and ceiling tiles, mastics, boilers, raw fibers, fireproofing, shingles, panels, sheets, boards, millboard, refractory cement, boilers, firebrick, brake and clutch linings, finishing compound, texture, and other construction, building, drywall, lath and insulation materials.

8. The words "design changes," and "modifications" mean alterations in the makeup and/or components of a particular product, including but not limited to, variations in the amount or type of asbestos used in the process of manufacturing the product.

9. The words "distribute," "distributed," "distributor," and "distribution" all refer to the sale, marketing, dispersal and/or shipment of asbestos-containing products for purposes of their sale, resale and/or for purposes of filling orders provided by other business concerns. The word "distributor" specifically refers to a company or its sales representatives, whether

dependent or independent, responsible for sales or marketing of products.

10. The words "marketed," and "market" mean and include all efforts to assist in the distribution and/or sale of products. More generally, these terms refer to only efforts on your part or the part of manufacturers or distributors to sell or otherwise distribute products.

11. The words "medical advisory capacity" refer to the duties, abilities or capabilities of any member of Defendant's staff, or any individual or organization who has contracted with Defendant, to provide services of a medical nature, including but not limited to providing medical advice.

12. The words "trade organization," or "trade association" mean any organizations or associations of business or industrial entities that are associated and/or meet for the purpose of achieving common goals and/or exchanging information related to common needs or interests, and/or learning information or facts of interest to the various members of the organization or association.

13. The word "plant" means a manufacturing or assembly facility where products are assembled, manufactured, constructed, fabricated, or where component parts, materials, substances, or matter of such products are fabricated, assembled, or manufactured or are prepared for further fabrication and/or assembly.

14. The word "manufacture," or "manufactured" means to fabricate, to construct, to assemble, prepare for fabrication or assembly, or any other action taken prior to completion of the product or material before the time of its shipment.

15. The words "sales materials," or "written sales materials" mean any and all documents or literature of a promotional nature that were created or printed for the purpose of

assisting in the marketing or distribution of the products. Such documentation may include, but is not limited to, sales invoices, order slips, and other written indicia of orders received and sales made.

16. The words "rebranding agreement" mean an agreement of any kind whereby one party to the agreement is provided products by the other party to the agreement and the agreement contemplates that the first party will place the brand name of its choice upon the products, either by repackaging or otherwise, and then proceed to sell, market, distribute and/or place the product in the stream of commerce, utilizing its new brand name.

17. The words "research" and "research department" refer to efforts, whether scientific or otherwise, to develop new and/or different types of products, processes or designs of pre-existing products and is meant to incorporate all efforts that specifically contemplated the possible alteration of products.

18. The words "medical department" refer to an individual or a section or group of individuals working for Defendants, either directly or in a contractual capacity, whose purpose was or is to provide guidance, assistance, or advice concerning any aspects of medical health, including but not limited to, the safety of Defendant's workers and the safety of individuals using products manufactured by the Defendant.

19. The words "industrial hygiene surveys" mean surveys, tests, interviews, or other procedures taken or effectuated for the purpose of determining air quality, air contamination, dust content, safety of a facility or hazards at any site or facility.

20. The words "health hazards," or "potential health hazards" refer and relate to any injury, effect, damage, scarring, wound, impairment or disability of any part of the human

anatomy, including but not limited to the lungs and lung linings.

21. The terms "test" and "testing" are used in their broadest sense, including but not limited to, studies of atmospheric dust samples, studies of the concentration of asbestos in such airborne test samples, studies of the lung conditions of workers (by x-ray or other means of medical surveillance), pulmonary function studies of workers, animal studies, pathological studies, industrial hygiene studies, risk assessment studies, cost-benefit analyses and any other studies on the product concerning health and safety required by any governmental agency.

22. In this Request for Production, references to the response given to Interrogatory No. 5 refer to Interrogatory No. 5 of the Interrogatories previously submitted to Defendant in this litigation.

REQUEST FOR PRODUCTION NO. 1:

Please produce a true and correct copy of each photograph or picture of each asbestos-containing product that Defendant has ever mined, manufactured, sold, marketed, installed, and/or distributed. Response: Crown Cork never mined, manufactured, sold, marketed, installed and/or distributed asbestos containing products.

REQUEST FOR PRODUCTION NO. 2:

Please produce a true and correct copy of each document which reflects sales of those products listed in response to Interrogatory No. 5 to ARMCO/A.K. Steel Middletown Plant and/or ARMCO/A.K. Steel Hamilton Plant. Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 3:

Please produce a true and correct copy of each document which reflects sales of Defendant's asbestos-containing products to companies that may have distributed, packaged, labeled, and/or sold Defendant's asbestos-containing products. Response: Crown Cork never mined, manufactured, sold, marketed, installed and/or distributed asbestos containing products.

REQUEST FOR PRODUCTION NO. 4:

Please produce a true and correct copy of each record and/or contract which reflects the sales of Defendant's asbestos-containing products to ARMCO/A.K. Steel Middletown Plant and/or ARMCO/A.K. Steel Hamilton Plant. Response: See response to Request No. 1.

REQUEST FOR PRODUCTION NO. 5:

Please produce a true and correct copy of each record and/or contract which reflects the sales of Defendant's asbestos-containing products to distributors and marketers who may have called on ARMCO/A.K. Steel Middletown Plant and/or ARMCO/A.K. Steel Hamilton Plant.
Response: See response to Request No. 1.

REQUEST FOR PRODUCTION NO. 6:

Please produce a true and correct copy of each contract and/or work order that reflects contracts for Defendant to have asbestos-containing products installed or removed at ARMCO/A.K. Steel Middletown Plant and/or ARMCO/A.K. Steel Hamilton Plant.
Response: See response to Request No. 1.

REQUEST FOR PRODUCTION NO. 7:

Please produce a true and correct copy of each work order and contract that reflects contract business between Defendant and ARMCO/A.K. Steel Middletown Plant and/or ARMCO/A.K. Steel Hamilton Plant for the application of asbestos-containing products.
Response: See response to Request No. 1.

REQUEST FOR PRODUCTION NO. 8:

Please produce a true and correct copy of each document relating to the design and preparation of the asbestos-containing products listed in Defendant's answer to Interrogatory No. 5. Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 9:

For each product listed in response to Interrogatory No. 5, please produce a copy of all tests that were conducted to determine any potential health hazards involved in its use or exposure (this request for production relates to Plaintiffs' Interrogatory No. 18 previously propounded to Defendant in this litigation). Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 10:

Please produce a true and correct copy of all documents relating to the testing of any product which Defendant listed in response to Interrogatory No. 5 (this request for production relates to Plaintiffs' Interrogatory No. 19 previously propounded to Defendant in this litigation). Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 11:

Please produce a true and correct copy of all tests which Defendant conducted and/or has in its possession to determine potential health hazards involved in the use of or exposure to asbestos products listed in response to Interrogatory No. 5 (this request for production relates to Plaintiffs' Interrogatory No. 21 previously propounded to Defendant in this litigation). Response: See Crown Cork's answer to Interrogatory No. 5 & Interrogatory No. 21.

REQUEST FOR PRODUCTION NO. 12:

Please produce a true and correct copy of all studies which Defendant conducted or caused to be conducted concerning the effects of the inhalation of asbestos dust and/or fibers in workers or other persons using, working with and/or around, installing and/or applying any of the asbestos products mined, manufactured, sold, distributed, marketed, installed and/or relabelled for distribution by Defendant or Defendant's predecessor (this request for production relates to Plaintiffs' Interrogatory No. 22 previously propounded to Defendant in this litigation). Response: See Crown Cork's answer to Interrogatory No. 22.

REQUEST FOR PRODUCTION NO. 17:

Please produce a true and correct copy of all warnings, cautions, caveats or directions concerning the possible health effects of the products listed in response to Interrogatory No. 5 (this request for production relates to Plaintiffs' Interrogatory No. 41 previously propounded to Defendant). Response: See Crown Cork's answer to Interrogatory No. 5 & Interrogatory No. 41.

REQUEST FOR PRODUCTION NO. 18:

Please produce a true and correct copy of all written materials prepared by Defendant or Defendant's predecessors or any of Defendant's subsidiaries indicating how the products listed in response to Interrogatory No. 5 should be used or maintained by the ultimate user (this request for production relates to Plaintiffs' Interrogatory No. 43 previously propounded to Defendant). Response: See Crown Cork's answer to Interrogatory No. 5 & Interrogatory No. 43.

REQUEST FOR PRODUCTION NO. 19:

Please produce a true and correct copy of all notices received by Defendant prior to 1968 that any person was claiming injury as a result of using asbestos-containing products mined, manufactured, sold, marketed, installed, or distributed by Defendant (this request for production relates to Plaintiffs' Interrogatory No. 48 previously propounded to Defendant). Response: See Crown Cork's answer to Interrogatory No. 48.

REQUEST FOR PRODUCTION NO. 20:

Please produce a true and correct copy of statements from all people with knowledge of relevant facts to this lawsuit. Response: Crown Cork cannot respond as to "all people with knowledge of relevant facts to this lawsuit;" however, Crown Cork has no statements from any plaintiffs nor defendants in this litigation other than pleadings and filings and documents of public record.

REQUEST FOR PRODUCTION NO. 21:

Please produce a true and correct copy of all documents which mention, allude or refer to tests performed on breathing devices to prevent the inhalation of asbestos dust and/or fibers

(this request for production relates to Plaintiffs' Interrogatory No. 52 previously propounded to Defendant). Response: See Crown Cork's answer to Interrogatory No. 52.

REQUEST FOR PRODUCTION NO. 22:

Please produce a true and correct copy of all reports by experts that Defendant may call upon at the trial of this case (this request for production relates to Plaintiffs' Interrogatory No. 53 previously propounded to Defendant). Response: See Crown Cork's answer to Interrogatory No. 53.

REQUEST FOR PRODUCTION NO. 23:

Please produce a true and correct copy of all policies of insurance under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in the action or to indemnify or reimburse for payments made to satisfy the judgment. Response: See answer to Interrogatory No. 56.

REQUEST FOR PRODUCTION NO. 24:

Please produce a true and correct copy of all notices received by Defendant prior to 1968 that any person was claiming an injury as a result of using asbestos-containing products, regardless of the manufacturer or seller of the products. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 25:

Please produce a true and correct copy of all documents, correspondence or communications pertaining to all marketing, sales, negotiations, delivery or distribution of all of your asbestos-containing or industrial insulation products to all Defendants to this lawsuit other than the answering Defendant. Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 26:

Please produce a true and correct copy of all documents memorializing or referring, relating

or pertaining to communications or correspondence among and/or between your officers, director, agents, representatives, employees or consultants and any employer, purchaser or user of your asbestos-containing products, its officers, directors, agents, representatives, employees or consultants which in any way relates, refers or pertains to asbestos, asbestos-containing products, pneumoconiosis, asbestos-related illness, injury or disease, dust or workplace health or safety. Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 27:

Please produce a true and correct copy of all annual reports of this Defendant to employees or stock holders for the years 1960 through 1969 and for the past five years. Response: 1996 annual report attached. Prior years should be available at public library.

REQUEST FOR PRODUCTION NO. 28:

Please produce the originals or true and correct copies of all safety or health manuals, pamphlets or brochures issued by this Defendant between 1930 and the present and any documents relating to whom said manuals were issued. Response: No asbestos publications issued by Crown Cork.

REQUEST FOR PRODUCTION NO. 29:

Please produce a true and correct copy of all safe workplace practices manuals, pamphlets or brochures issued by this Defendant from 1900 through the present. Response: No asbestos publications issued by Crown Cork.

REQUEST FOR PRODUCTION NO. 30:

Please produce a true and correct copy of all documents referring, relating or pertaining to the Industrial Health Foundation or the Industrial Hygiene Foundation in the custody, possession or control of this Defendant. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 31:

Please produce a true and correct copy of all documents referring, relating or pertaining to the Trudeau Institute and Saranac Lake Laboratory in the custody, possession or control of this

Defendant. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 32:

Please produce a true and correct copy of all documents referring, relating or pertaining to the Quebec Asbestos Mining Association (QAMA) in the custody, possession or control of this Defendant. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 33:

Please produce a true and correct copy of all documents referring, relating or pertaining to the National Insulation Manufacturers Association (NIMA) in the custody, possession or control of this Defendant. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 34:

Please produce a true and correct copy of all documents referring, relating or pertaining to the Thermal Insulation Manufacturers Association (TIMA) in the custody, possession or control of this Defendant. Response: None as to Crown Cork; unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 35:

Please produce a true and correct copy of all documents relating to any conference(s), symposia, or meetings attended by any of your officers, physicians, agents, servants, employees or consultants which in any way considered, discussed, reviewed or made recommendations concerning: asbestos-related illness, injury or disease; pneumoconiosis; occupational lung disease; dust; industrial hygiene; and/or worker or workplace health or safety. Response: See Exhibit 1 to answer to interrogatory No. 3 and interrogatory No. 4.

REQUEST FOR PRODUCTION NO. 36:

Please produce a true and correct copy of all documents to and/or from this Defendant and any person, organization, institution, laboratory, foundation, corporation, entity, board or consultants

which refer. relate or pertain to air quality studies, dust counts or dust studies, alleged maximum allowable concentrations (MAC), alleged threshold limit values (TLV) or protection of your employees or any other employees or persons from actual or alleged hazards associated with asbestos exposure. Response: See Exhibit 1 to answer to interrogatory No. 3 and interrogatory No. 4.

REQUEST FOR PRODUCTION NO. 37:

Please produce a true and correct copy of all documents to and/or from this Defendant and any person, organization, institution, laboratory, foundation, corporation, entity, board or consultants which refer, relate or pertain to air quality studies, dust counts or dust studies, alleged maximum allowable concentrations (MAC), alleged threshold limit values (TLV) or protection of your employees or any other employees or persons. Response: See Exhibit 1 to answer to interrogatory No. 3 and interrogatory No. 4.

REQUEST FOR PRODUCTION NO. 38:

Please produce a true and correct copy of all documents to and/or from this Defendant involving any physician, industrial hygienist or public health specialist which in any way relates, refers or pertains to asbestos-related injury, illness or disease, pneumoconiosis, occupational lung disease, dust, industrial hygiene or worker or workplace health or safety. Response: See Exhibit 1 to answer to interrogatory No. 3 and interrogatory No. 4.

REQUEST FOR PRODUCTION NO. 39:

Please produce a true and correct copy of all photographs, pictures, prints or any visual depiction at any time generated showing workers or any person or persons installing, applying, removing or in any manner handling or utilizing an asbestos-containing product at any time manufacture, sold or distributed by this Defendant. Response: See Crown Cork's answer to Interrogatory No. 5.

REQUEST FOR PRODUCTION NO. 40:

Please produce a true and correct copy of all documents pertaining to the acquisition,

purchase or sale by this Defendant of any asbestos-containing product manufacturing facility or asbestos-containing product or product line. Response: Copies attached: 1) Agreement 11/7/63; 2) stock certificate; 3) Bill of Sale & Assignment 2/8/64; 4) closing statement 2/8/64.

REQUEST FOR PRODUCTION NO. 41:

Please produce a true and correct copy of all documents pertaining to the acquisition, purchase or sale by this Defendant of any asbestos-containing product from any other defendant in this case or to any other defendant in this case. Response: None. Unknown as to Mundet Cork.

REQUEST FOR PRODUCTION NO. 42:

For each and every affirmative defense asserted in the answering defendant's Answer to Plaintiffs' Complaint, the Cross-Claims or Counter-Claims of any party against this answering defendant produce each and every document which will be offered to prove each and every affirmative defense. For each and every allegation of the answering defendant in Cross-Claim(s) asserted by the defendant in this litigation produce each and every document which will be offered to prove each and every allegation in defendant's Cross-Claim(s). Response: No cross-claims or counterclaims filed by Crown Cork & Seal.

REQUEST FOR PRODUCTION NO. 43:

Please produce a true and correct copy of every transcript of testimony of each witness this Defendant intends to call at trial. Response: No determination of witnesses, if any, has been made by Crown Cork & Seal.

REQUEST FOR PRODUCTION NO. 44:

Please produce a true and correct copy of each and every medical record in the custody, possession or control of the Defendant relating to the Plaintiffs in this case other than those medical records produced by the Plaintiffs and provided to the Defendants in this case. Response: None.

REQUEST FOR PRODUCTION NO. 45:

Please produce a true and correct copy of each and every document or other tangible item

upon which the Defendant will rely for impeachment or rebuttal purposes in the trial of this matter. Response: Since there has been no testimony, Crown Cork cannot respond to this request

REQUEST FOR PRODUCTION NO. 46:

Please produce a true and correct copy of each and every document, recording or other tangible item that constitutes in whole or in part a statement by the Plaintiffs or a statement by any of Plaintiffs' witnesses in this matter. Response: No statements by plaintiffs. Plaintiffs' witnesses not identified.

REQUEST FOR PRODUCTION NO. 47:

Please produce a true and correct copy of each and every photograph, videotape recording or other tangible item that is a photographic representation of the Plaintiffs in this matter. Response: None.

REQUEST FOR PRODUCTION NO. 48:

Please produce a true and correct copy of all work records or other tangible items relating to the Plaintiffs or their employers. Response: None.

REQUEST FOR PRODUCTION NO. 49:

Please produce a true and correct copy of every transcript, affidavit or sworn statement by each and every witness called by this defendant in any litigation related to insurance that may cover the claims in this case. Response: Documents are public record in Case 1292, Court of Common Pleas, Philadelphia County, Philadelphia, PA.

REQUEST FOR PRODUCTION NO. 50:

For each document for which any privilege is asserted produce an index containing the following information:

a. Author of document;
b. Position, title or affiliation of author;
c. Date of document;
d. Each recipient of the document
e. The position, title or affiliation of each recipient of the document;
f. The subject matter of the document with sufficient specificity to determine the matters discussed therein; and
g. The privilege(s) asserted.

Response: No response required.

In accordance with Ohio Civil Rule 34, the documents, materials, objects and/or tangible objects requested must be produced at the office of Baron & Budd, P.C., 3102 Oak Lawn Avenue, Suite 1100, Dallas, Texas 75219 within twenty-eight (28) days of service of this request upon you.

Respectfully submitted,

BARON & BUDD
A PROFESSIONAL CORPORATION
The Centrum
Suite 1100
3102 Oak Lawn Avenue
Dallas, Texas 75219
(214) 521-3605
FAX: (214) 520-1181

By: _____
STEVEN D. WOLENS
Texas State Bar No.: 21847600
Attorney for Plaintiffs

-AND-

MANLEY, BURKE, LIPTON & COOK
225 W. Court Street
Cincinnati, OH 45202
(513) 721-5525
FAX: (513) 721-4268

By: _____
ANDREW S. LIPTON
Ohio State Bar No.: 0009191
Attorney for Plaintiffs

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing has been sent to all counsel of record on this the 19 day of March, 1997.

STEVEN D. WOLENS
Attorney for Plaintiffs

CROWN CORK & SEAL COMPANY, INC.

BY: _____
Richard L. Krzyzanowski
Its Vice President
9300 Ashton Road
Philadelphia, PA 19136

Dated: May 6, 1997.

STATE OF PENNSYLVANIA)
) ss:
COUNTY OF PHILADELPHIA)

Richard L. Krzyzanowski, being first duly sworn, deposes and says that he is Vice President of Crown Cork & Seal Company, Inc., that he has read the foregoing Responses of Defendant, Crown Cork & Seal Company, Inc. to Plaintiffs' Request for Production of Documents, by him subscribed and knows the contents thereof, and that the foregoing answers are true to the best of his knowledge and belief.

_____
Richard L. Krzyzanowski

Subscribed and sworn to before me, a notary public, by Richard L. Krzyzanowski, this 6th day of May, 1997.

_____
Notary Public, Philadelphia County, Pennsylvania

My commission expires: May 9, 2000

NOTARIAL SEAL
THERESA RAUSCH, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 9, 2000

PROOF OF SERVICE

I hereby certify that I have this date mailed a copy of the foregoing Responses of Defendant, Crown Cork & Seal Company to Plaintiffs' Request for Production of Documents to Steven D. Wolens, Esq., Baron & Budd, The Centrum, Suite 1100, 3102 Oak Lawn Avenue, Dallas, Texas 75219; to Bruce Carter, Esq., Baron & Budd, 43-B New Garver Road, Monroe, Ohio 45050; and to Andrew S.

Lipton, Esq., Manley, Burke, Lipton & Cook, 225 W. Court Street, Cincinnati, Ohio 45202, Attorneys for Plaintiffs; and notice of filing of these Responses was given to all other Defendants and/or their counsel by copy of the Distribution List attached.

Robert L. Davis

ROBERT L. DAVIS (#0014831)
Counsel for Defendant, Crown Cork & Seal Company, Inc.

5-7-97
Date

DISTRIBUTION LIST

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AGREEMENT made this 7th day of November, 1963, by and between PAULA MUNDET and THOMAS F. BOYLE, co-executors of the Estate of Joseph J. Mundet, Deceased ("Executors"), parties of the first part, and CROWN CORK & SEAL COMPANY, Inc. ("Crown"), party of the second part;

WITNESSETH:

A. WHEREAS, the Executors, the owners of 16,689 shares of the capital stock of Mundet Cork Corporation, desire to sell the said shares;

B. WHEREAS, Executors through their duly authorized agent Reynolds & Co. of 120 Broadway, New York, has granted to Crown an option to purchase said 16,689 shares of capital stock of Mundet Cork Corporation, a New York corporation, subject to the terms set forth in the option; and

C. WHEREAS, Crown desires to exercise the option upon the terms and conditions therein stated, as well as the terms and conditions stated hereinbelow:

NOW, THEREFORE, the parties agreeing to be mutally bound hereby, for good and adequate consideration now agree as follows:

1. The Executors agree to sell and Crown agrees to buy 16,689 shares of the capital stock of Mundet Cork Corporation for the price of $4,631,931.82 (i/e. at the price of $277.544 per share).

2. Crown further agrees that it will offer to purchase the remaining 7,091 shares of capital stock of Mundet Cork Corporation from the other stockholders at the price of $277.544 per share, the said offer to remain open for a period of thirty (30) days after closing.

3. The Executors jointly and severally warrant, represent, covenant and agree:

(a) Mundet Cork Corporation (hereinafter called "Mundet") is a New York corporation with an authorized capital stock of 25,000 shares of the par value of $100.00 per share, of which only 23,780 are issued and outstanding, and that the co-executors have good, valid title to 16,689 shares of Mundet.

(b) At closing, Executors will deliver 16,689 shares of the capital stock of Mundet to Crown, free and clear of any liens, encumbrances, taxes, claims, options of purchase or agreements of any nature restricting the transfer thereof, except Federal and New York Estate Tax liens.

(c) The Executors warrant and represent that immediately following the closing of the sale herein they will deposit with the District Director of Internal Revenue the sum of $1,200,000 as a deposit against the Federal Estate Taxes which are due on and payable by the Estate of Joseph J. Mundet. The Executors expressly state that such deposit is equal to or in excess of the tax liability which they believe will be due upon the said estate. In the event that such deposit is insufficient to satisfy

the Federal Estate Tax liability, the Executors warrant and represent that they shall pay such excess amounts from either other assets of the Estate or from the proceeds of this sale.

(d) There are no contracts or options outstanding for the purchase of other securities convertible into any stock of Mundet.

(e) Between the date of this agreement and the date of closing hereunder:

(i) The business of the Company shall be conducted only in the ordinary course and there will be no declaration, setting aside or payment of any dividend or other distribution in respect to any of the Company's capital stock; and there will be no increases in the compensation payable or to become payable by the Company to any of its officers, employees or agents.

(ii) No contract or commitments shall be entered into by or on behalf of the Company except normal commitments for the purchase of raw materials and supplies.

(iii) Other than changes in the ordinary course of business, there will be no changes in the condition, financial or otherwise of Mundet, which will be materially adverse.

(iv) There will be no damage, destruction or loss, materially adversely affecting the business or prospects or any of the properties of Mundet.

4. The closing shall be held at the offices of Reynolds & Co., 120 Broadway, New York, New York at 11:00 A.M., November 14, 1963. At such closing the Executors will deliver to Crown 16,689 shares of the capital stock of Mundet Cork Corporation, duly endorsed for transfer in such form as to permit a valid transfer to Crown, and with all necessary tax stamps affixed. At the closing, and upon delivery of the stock certificates as aforesaid, Crown will deliver to the Executors, or the persons named below, as the case may be, certified or bank checks drawn on New York funds, as follows:

(a) To Reynolds & Co. or order for their commissions in this transaction,

(b) To Chase Manhattan Bank or order an amount which will pay the principal and interest of the Estate's indebtedness to such bank,

(c) To Hudson Trust Company or order an amount which will pay the principal and interest of the Estate's indebtedness to such bank,

(d) To Paula Mundet and Thomas F. Boyle, co-executors of the Estate of Joseph J. Mundet, or order, for the balance of the purchase price.

5. Crown will make offers to the holders of the remaining 7,091 outstanding shares of Mundet Cork Corporation to purchase such shares and pay the sum of $277.544 for each such share of Mundet stock as may be delivered by such other stockholders with duly endorsed stock

certificates and with all necessary tax stamps affixed to Reynolds & Co. at its offices at 120 Broadway, New York, New York within thirty (30) days after closing hereunder; and shall thereafter distribute such purchase money to such other stockholders upon their delivering their certificates as above described to Reynolds & Co.

6. This agreement constitutes the entire agreement between the parties. No party hereto has made any representation to any other party hereto which is not contained herein.

IN WITNESS WHEREOF, the parties hereto have interchangeably set their hands and seals, the day and year first above written.

Attest:

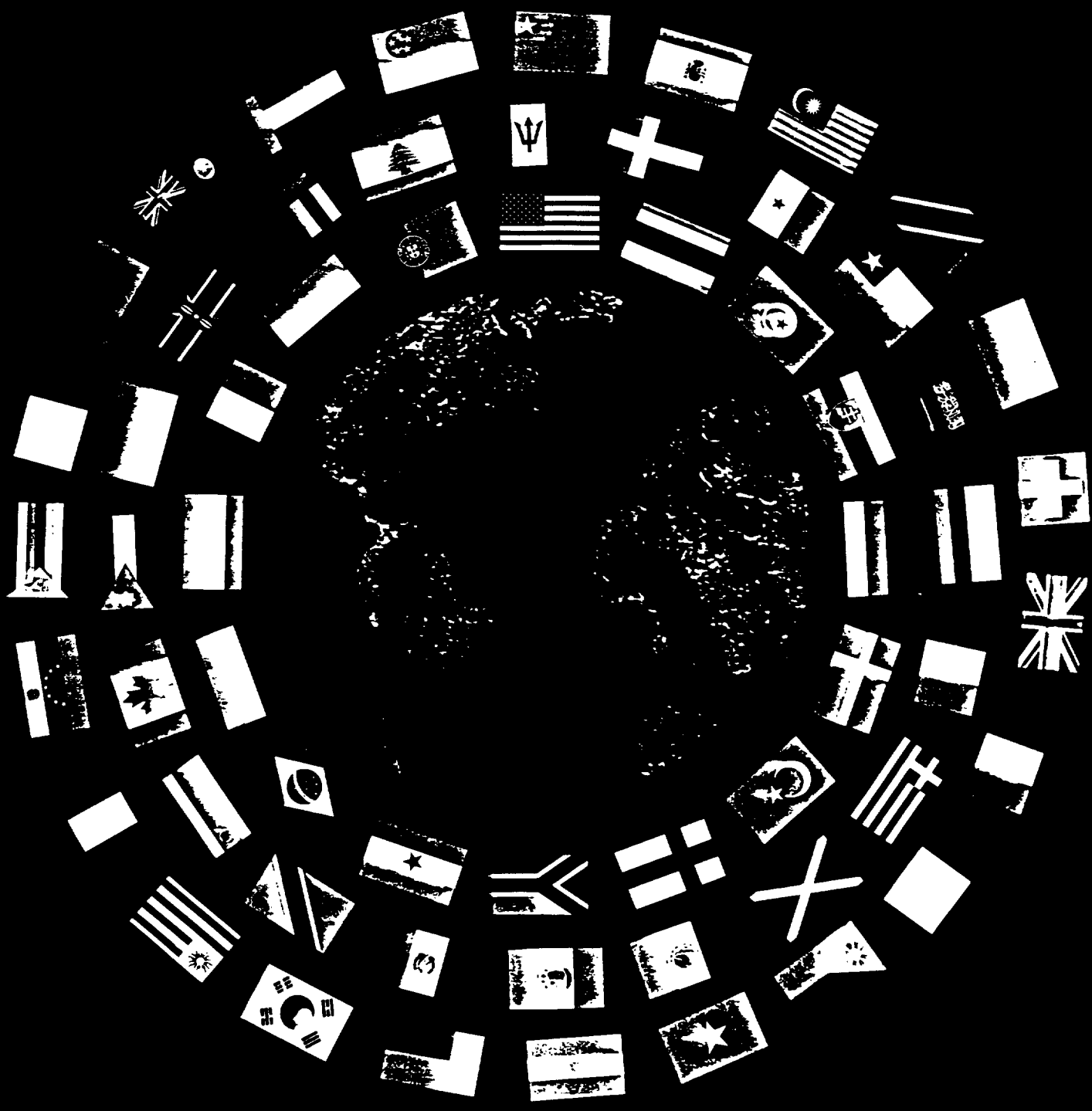
Harry R. Warren, Secretary

CROWN CORK & SEAL COMPANY, INC.

Gordon W. Blair, Vice President and Treasurer

Paula Mundet, Co-executor

Thomas F. Boyle, Co-executor



CROWN CORK & SEAL COMPANY, INC.

1996 Annual Report

BOARD OF DIRECTORS

WILLIAM J. AVERY [a,d,e]
Chairman of the Board and Chief Executive Officer

HENRY E. BUTWEL [a,b]
Executive Vice President (Retired)

CHARLES F. CASEY [b]
Chairman of the Board of CONSTAR International Inc. (Retired)

FRANCIS X. DALTON
Treasurer (Retired)

GUY de WOUTERS [b,e]
Director of CGIP, Marine-Wendel, Eurotunnel and Valeo

RICHARD L. KRZYZANOWSKI [a]
Executive Vice President, Secretary and General Counsel

JOSEPHINE C. MANDEVILLE
President and Chief Executive Officer
of the Connelly Foundation

MICHAEL J. McKENNA [a]
President and Chief Operating Officer

FELIX G. ROHATYN [e]
Managing Director of Lazard Frères & Co. LLC,
also a Director of Pfizer and General Instruments

JEAN-PIERRE ROSSO [c]
Chairman, President and CEO, Case Corporation;
also a Director of Inland Steel, Ryerson Tull,
ADC Telecommunications and Principal Mutual Life Insurance Co.

ALAN W. RUTHERFORD [e]
Executive Vice President
and Chief Financial Officer

J. DOUGLASS SCOTT
President and CEO, Crown Cork & Seal Canada Inc. (Retired)

ERNEST-ANTOINE SEILLIÈRE [a,c,d,e]
Chairman and CEO of Compagnie Générale d'Industrie
et de Participations (CGIP); Chairman and CEO of
Marine-Wendel; also a Director of Peugeot, Cap Gemini,
Société Générale and Valéo

ROBERT J. SIEBERT
Retired President of CRC Chemicals, Inc.
Management Consultant

HAROLD A. SORGENTI [b,c,e]
General Partner of Sorgenti Investment Partners;
also a Director of Freedom Chemical and
Provident Mutual Life

EDWARD P. STUART
Emeritus

[a]Member of Executive Committee [b]Member of Audit Committee [c]Member of Executive Compensation Committee
[d]Member of Nominating Committee [e]Member of Strategic Committee

CORPORATE MANAGEMENT

CORPORATE OFFICERS

WILLIAM J. AVERY	Chairman of the Board and Chief Executive Officer
MICHAEL J. McKENNA	President and Chief Operating Officer
RICHARD L. KRZYZANOWSKI	Executive Vice President, Secretary and General Counsel
ALAN W. RUTHERFORD	Executive Vice President and Chief Financial Officer
IAN B. CARMICHAEL	Executive Vice President-Corporate Technologies
JOHN W. CONWAY	Executive Vice President and President-Americas Division
B. NIGEL GILSON	Executive Vice President-Global Customer Business
MARK W. HARTMAN	Executive Vice President-Office of the Chairman
TOMMY H. KARLSSON	Executive Vice President and President-European Division
RONALD R. THOMA	Executive Vice President-Procurement and Traffic
WILLIAM H. VOSS	Executive Vice President and President-Asia-Pacific Division
CRAIG R. L. CALLÉ	Senior Vice President-Finance and Treasurer
WILLIAM R. HOWARD	Senior Vice President-Corporate Operations
REDA H. AMIRY	Vice President-Taxes
GARY L. BURGESS	Vice President-Human Resources
MICHAEL B. BURNS	Vice President-Treasury Management
GREGORY L. COWAN	Vice President-Internal Audit
TIMOTHY J. DONAHUE	Vice President and Controller
MICHAEL F. DUNLEAVY	Vice President-Business Development
CHARLES E. FINNEGAN	Vice President-Metal Purchasing
MURIEL FONTUGNE	Vice President-Risk Management
WILLIAM T. GALLAGHER	Assistant Corporate Secretary and Assistant General Counsel
B. DOUGLAS GOODELL	Vice President and President-Packaging Systems Division
MICHAEL J. HARDING	Vice President-Finance, Transition Team
EDWARD J. HATTER	Vice President-Traffic and Transportation
PETER J. JULIAN	Chief Information Officer
E.C. NORRIS ROBERTS	Vice President-Corporate Administration
ROBERT G. VATISTAS	Vice President-Environment, Health & Safety
EDWARD C. VESEY	Vice President-Purchasing

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Dear Fellow Shareholders:

The year 1996 saw our Company establish itself as the premier global packaging company.

Following the acquisition of CarnaudMetalbox in February 1996, we organized the company into five operating divisions supported by a Corporate Technologies department. Good progress has been made in planning and implementing the restructuring of the two companies' operations and the plans made in 1996 will continue to be acted upon during 1997 and, in some cases, early in 1998.

In the Americas Division, we integrated the Anchor Hocking metal closure subsidiary into the US operations and divested Davies Can following a decision to exit the US paint and oblong can business. We had a satisfactory year in the US market (after substantial restructuring in 1994 and 1995) and our Canadian operations performed well. We completed the restructuring of our Mexican operations and began commercial production of beverage cans at a new plant in Cabreuva, Brazil. We closed our facility in Ecuador and, near the end of the year, signed an agreement to build a beverage can plant in Colombia with the Ardila Lülle organization as our partner.

In the Asia-Pacific Division, we centralized the management of the new combined operations in Singapore and, in July 1996, initiated a major restructuring program. Much of this program has been implemented and the operations are expected to better serve our customers in this large market which has tremendous future potential.

The newly created European Division, which includes the Middle East and Africa, had a successful year considering all of the distractions associated with planning and implementing the restructuring program. All operations were reviewed and the necessary re-alignments were initiated, irrespective of whether these involved Crown or CMB operations. The European Division administration was centralized into one office facility in Paris. We also initiated a new computer-based shared service center program in the UK to provide improved management information and to better serve our customers. The UK shared service center will later be used as a pilot for global implementation elsewhere in the Company.

The Packaging Systems Division, operating as Crown Simplimatic, was formed in 1996 by combining the former Crown Machinery Division with the CMB Simplimatic Engineering business. The combination created one of only a few companies that are well-qualified to manufacture complete integrated beverage filling lines.

The Subsidiary Division continued to provide support, primarily in the US, in both tooling and machine overhaul and was profitable.

Corporate Technologies, which is based in Alsip, Illinois and Wantage, England, was consolidated to ensure a world class service capability of commercial value to customers and remains at the forefront of new product and process development.

The Company is increasing its already considerable emphasis on total quality management to better serve our customers worldwide and to improve productivity. The Company also continues to be in the forefront of environmental compliance and is extending this expertise globally.

The net debt of the Company, at December 31, 1996, was $4.9 billion. Capital expenditures in the year totaled $631 million, down considerably from the pro-forma combined Company $870 million in 1995. Projected capital expenditures for 1997 are $520 million. The Company generated $911 million of cash flow from operations in 1996 compared to $165 million in 1995.

Consolidated Statements of Income

(in millions, except per share amounts)

	1996	1995	1994
Net sales	$ 8,331.9	$ 5,053.8	$ 4,452.2
Costs, expenses and other income			
Cost of products sold (excluding depreciation and amortization)	6,732.5	4,319.4	3,706.2
Depreciation and amortization	495.9	256.3	218.3
Selling and administrative expense	387.2	139.3	135.4
Provision for restructuring . . *Note I*	39.8	102.7	114.6
Gain on sale of assets	(23.8)	(8.4)	(6.7)
Interest expense, net of interest income	305.8	136.1	91.6
Translation and exchange adjustments	(36.5)	(1.1)	10.1
	7,900.9	4,944.3	4,269.5
Income before income taxes	431.0	109.5	182.7
Provision for income taxes . . *Note O*	134.4	24.9	55.6
Income from operations	296.6	84.6	127.1
Minority interests, net of equity earnings . . *Notes P and D*	(12.6)	(9.7)	3.9
Net income	284.0	74.9	131.0
Preferred stock dividends . . *Note M*	19.8		
Net income available to common shareholders	$ 264.2	$ 74.9	$ 131.0
Average common share data:			
Earnings	$ 2.16	$ .83	$ 1.47
Dividends	$ 1.00		

The accompanying notes are an integral part of these financial statements.

Certain reclassifications of prior years' data have been made to improve comparability.

Consolidated Statements of Cash Flows

(in millions)

	1996	1995	1994
Cash flows from operating activities			
Net income	$ 284.0	$ 74.9	$131.0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	495.9	256.3	218.3
Provision for restructuring	31.7	67.0	73.2
Foreign currency gain	(42.1)		
Gain on sale of assets	(15.5)	(5.5)	(4.4)
Deferred income taxes	91.7	(3.2)	(14.0)
Minority interests in earnings of subsidiaries	5.4	13.6	12.4
Equity in earnings of joint ventures, net of dividends	14.5	1.5	(9.0)
Other, net	(6.9)	(4.2)	4.1
Changes in assets and liabilities, net of businesses acquired:			
Receivables	247.2	(24.7)	(185.5)
Inventories	20.3	(55.1)	(37.8)
Accounts payable, accrued and other liabilities	(193.8)	(172.5)	(162.8)
Other, net	(21.2)	16.5	(18.7)
Net cash provided by operating activities	911.2	164.6	6.8
Cash flows from investing activities			
Capital expenditures	(631.2)	(433.5)	(439.8)
Acquisition of businesses, net of cash acquired	(1,537.5)	(14.2)	(65.7)
Proceeds from sale of property, plant and equipment	32.6	26.8	7.7
Proceeds from sale of businesses	107.9		
Other, net	(6.5)	(17.1)	(1.5)
Net cash used for investing activities	(2,034.7)	(438.0)	(499.3)
Cash flows from financing activities			
Proceeds from long-term debt	2,075.1	365.4	154.8
Payments of long-term debt	(303.3)	(209.0)	(186.5)
Net change in short-term debt	(423.3)	99.8	495.6
Dividends paid	(145.4)		
Common stock:			
Repurchase for treasury		(.3)	(12.7)
Issued under various employee benefit plans	11.0	21.2	16.3
Minority contributions, net of dividends paid	3.7	21.5	9.0
Net cash provided by financing activities	1,217.8	298.6	476.5
Effect of exchange rate changes on cash and cash equivalents	(2.0)	(.6)	5.3
Net change in cash and cash equivalents	92.3	24.6	(10.7)
Cash and cash equivalents at January 1	68.1	43.5	54.2
Cash and cash equivalents at December 31	$ 160.4	$ 68.1	$ 43.5

The accompanying notes are an integral part of these financial statements.
Certain reclassifications of prior years' data have been made to improve comparability.

Notes to Consolidated Financial Statements

(in millions, except per share, employee, shareholder and statistical data)

A. Summary of Significant Accounting Policies

Business and Principles of Consolidation

The consolidated financial statements include the accounts of Crown Cork & Seal Company, Inc. (the "Company") and its wholly-owned and majority-owned subsidiary companies. The Company manufactures and sells metal and plastic containers, aluminum and plastic closures and crowns as well as manufactures filling, packaging and handling machinery. These products are manufactured in the Company's plants both within and outside the United States and are sold through the Company's sales organization to the soft drink, food, citrus, brewing, household products, personal care and various other industries. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect management estimates and assumptions. Actual results could differ from those estimates, impacting reported results of operations and financial position. All significant intercompany accounts and transactions are eliminated in consolidation. Investments in joint ventures and other companies in which the Company does not have control, but has the ability to exercise significant influence over operating and financial policies (generally greater than 20% ownership), are accounted for by the equity method. Other investments are carried at cost.

Foreign Currency Translation

For non-U.S. subsidiaries which operate in a local currency environment, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average rates prevailing during the year. Translation adjustments for these subsidiaries are accumulated in a separate component of Shareholders' Equity. For non-U.S. subsidiaries which operate in U.S. dollars (functional currency) or whose economic environment is highly inflationary, local currency inventories and plant and other property are translated into U.S. dollars at approximate rates prevailing when acquired; all other assets and liabilities are translated at year-end exchange rates. Inventories charged to cost of sales and depreciation are remeasured at historical rates; all other income and expense items are translated at average exchange rates prevailing during the year. Gains and losses which result from remeasurement are included in earnings.

Cash and Cash Equivalents

Cash equivalents represent investments with maturities of three months or less from the time of purchase, and are carried at cost which approximates fair value because of the short maturity of those instruments.

Inventory Valuation

Inventories are carried at the lower of cost or market, with cost for domestic metal, plastic container, crown and closure inventories principally determined under the last-in, first-out (LIFO) method. Machinery Division and non-U.S. inventories are principally determined under the average cost method.

Goodwill

Goodwill, representing the excess of the cost over the net tangible and identifiable intangible assets of acquired businesses, is stated at cost and is amortized, principally on a straight-line basis, over the estimated future periods to be benefited (primarily 40 years). On an annual basis the Company reviews the recoverability of goodwill based primarily upon an analysis of undiscounted cash flows from the acquired businesses. Accumulated amortization amounted to $221.6 and $117.8 at December 31, 1996 and 1995, respectively.

Property, Plant and Equipment

Property, plant and equipment (PP&E) is carried at cost and includes expenditures for new facilities and those costs which substantially increase the useful lives of existing PP&E. Cost of significant assets includes capitalized interest incurred during the construction and development period. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed, the related costs and accumulated depreciation are eliminated from the respective accounts and any profit or loss on disposition is reflected in income. Costs assigned to PP&E of acquired businesses are based on estimated fair value at the date of acquisition.

Depreciation and amortization are provided on a straight-line basis for financial reporting purposes and an accelerated basis for tax purposes over the estimated useful lives of the assets. The range of estimated economic lives assigned to each significant

D. Investments

	1996	1995
January 1	$ 57.5	$ 47.7
Acquisition of CMB	35.6	
Acquisition of equity and investments in joint ventures	12.6	13.3
Equity in earnings of joint ventures	(7.2)	3.9
Dividends received from equity affiliates	(7.3)	(5.4)
Change in cumulative translation on net assets of equity affiliates	(.9)	(1.0)
Change in reporting entity		(1.0)
December 31	$ 90.3	$ 57.5

E. Property, Plant and Equipment

	1996	1995
Buildings and improvements	$ 886.4	$ 511.6
Machinery and equipment	3,744.0	2,434.8
	4,630.4	2,946.4
Less: accumulated depreciation and amortization	(1,537.9)	(1,239.8)
	3,092.5	1,706.6
Land and improvements	258.2	84.2
Construction in progress	366.6	215.1
	$3,717.3	$2,005.9

F. Accounts Payable and Accrued Liabilities

	1996	1995
Trade accounts payable	$1,377.0	$387.5
Interest	78.2	21.3
Salaries, wages and other employee benefits	214.5	154.6
Environmental	6.7	4.2
Restructuring	243.3	14.9
Deferred taxes	101.5	9.1
Other	439.7	76.6
	$2,460.9	$668.2

G. Other Non-Current Liabilities

	1996	1995
Postemployment benefits	$ 36.3	$ 14.8
Restructuring	16.4	10.3
Deferred taxes	304.0	40.4
Environmental	46.9	16.5
Other	54.6	30.2
	$458.2	$112.2

Other non-current assets includes $16.6 and $15.5 at December 31, 1996 and 1995, respectively, for estimated recoveries related to environmental liabilities.

L. Restructuring

During 1996, the Company provided $39.8 ($31.7 after taxes or $.26 per share) for the costs associated with exiting certain lines of business in its South African operations, the closure of a South American operation and costs associated with restructuring existing businesses in Europe. The Company anticipates that the restructuring actions referred to above, when complete, will generate approximately $10.7 in after-tax cost savings on an annualized basis. Except for the restructuring costs associated with the acquisition of CMB discussed below, the Company records restructuring charges against operations and provides a reserve or writes down assets, as appropriate, based on the best information available at the time that the decision is made to restructure. The balance of these reserves (excluding the write-down of assets which are reflected as a reduction of the related asset account) is included within accounts payable and accrued liabilities and other non-current liabilities.

The Company has made an assessment of the restructuring and exit costs to be incurred relative to the acquisition of CMB. Affected by the plan of restructuring are thirty-four regional administrative offices and plants to be closed and approximately thirty-eight plants to be reorganized. The plan of restructuring which commenced at the end of the first quarter of 1996 is expected to be substantially completed during 1997. Since commencement of the plan of restructuring, the Company has determined alternative sites for manufacture and qualified the new manufacturing sites with customers. As of December 31, 1996, the Company had accrued approximately $503 for the costs associated with restructuring CMB operations and allocated such costs to the purchase price of CMB in accordance with purchase accounting requirements. These costs comprise severance pay and benefits, write-down of assets, lease termination and other exit costs. The cost of providing severance pay and benefits for the reduction of approximately 6,800 employees is estimated at approximately $269 and is primarily a cash expense. Employees to be terminated include most, if not all, employees at each office or plant to be closed and selected employees at those plants to be reorganized including salaried employees and employees of the respective unions represented at each plant site. The write-down of assets (principally property, plant and equipment) is estimated at approximately $185 and has been reflected as a reduction in the carrying value of the Company's assets. Lease termination and other exit costs, primarily repayments of government grants and subsidies, are estimated at approximately $49 and are primarily cash expenses. The $503 million in restructuring costs recorded in connection with the CMB acquisition includes the $95 million restructuring charge previously announced by CarnaudMetalbox Asia Ltd., a subsidiary of the Company.

The Company estimates that the plan of restructuring CMB operations, when complete, will generate annual cost savings of approximately $160 ($105 after-tax)on a full year basis. It is also estimated that capital expenditures of approximately $125 will be made to expand and upgrade other facilities to minimize the adverse effects of the restructuring on existing business and customer relationships.

During 1995 and 1994, the Company recorded pre-tax restructuring charges of $102.7($67.0 after taxes or $.74 per share)and $114.6 ($73.2 after taxes or $.82 per share), respectively, as part of a two-phase restructuring plan outlined in March 1994. The combined plan was implemented to streamline the Company's North American operations, to improve productivity and to enhance competitiveness.

The components of restructuring are as follows:

	Balance at December 31, 1995	Provisions for existing businesses	Provisions for CMB businesses	1996 activity	Transfer against assets	Balance at December 31, 1996
Employee costs	$11.5	$18.6	$268.9	($ 76.9)		$222.1
Writedown of assets		15.3	185.2		($200.5)	
Lease termination and other exit costs	13.7	5.9	48.6	(30.6)		37.6
	$25.2	$39.8	$502.7	($107.5)	($200.5)	$259.7

The foregoing restructuring charges and related cost savings represent the Company's best estimates, but necessarily make numerous assumptions with respect to industry performance, general business and economic conditions, raw materials and product pricing levels, the timing of implementation of the restructuring and related employee reductions and facility closings and other matters many of which are outside the Company's control. The Company's estimate of cost savings is not necessarily indicative of future performance, which may be significantly more or less favorable than as set forth above and is subject to the considerations described in Management's Discussion and Analysis under "Forward-Looking Statements". Shareholders are cautioned not to place undue reliance on the estimate and the assumptions and should appreciate that such information may not necessarily be updated to reflect circumstances existing after the date hereof or to reflect the occurrence of unanticipated events.

Aggregate maturities of total long-term debt for the five years subsequent to December 31, 1996 are $48.5, $441.1, $152.8, $140.8 and $229.9, respectively. Cash payments for interest were $ 290.5 in 1996, $113.4 in 1995 and $107.1 in 1994 (including amounts capitalized of $7.7 in 1996, $5.8 in 1995 and $5.5 in 1994, respectively.)

The estimated fair value of the Company's long-term borrowings, including interest rate financial instruments, based on quoted market prices for the same or similar issues or on current rates offered to the Company for debt of the same remaining maturities, did not differ materially from carrying values at December 31, 1996 and 1995, respectively.

K. Financial Instruments

In the normal course of business, operations of the Company are exposed to fluctuations in currency values, interest rates, commodity prices and other market risks. The Company addresses these risks through a program that includes the use of financial instruments. The Company controls the credit risks associated with these financial instruments through credit approval, investment limits and centralized monitoring procedures and systems. The Company uses only liquid investments from creditworthy institutions and does not enter into leveraged, tiered or illiquid contracts. Further, the Company does not enter into financial instruments for trading purposes.

Foreign Currency Management

With respect to balance sheet exposures, the Company has an internal netting strategy to match foreign currency assets and liabilities wherever possible. This is achieved through the individual capital structure of overseas subsidiaries complemented by the use of financial instruments. The Company also enters into various types of foreign exchange contracts, principally forward exchange contracts and swaps, in managing the foreign exchange risk arising from certain foreign currency transactions. At December 31, 1996 the Company had outstanding forward exchange contracts, principally in European currencies, Singapore dollars, and US dollars, both buy and sell, for an aggregate notional amount of $2,311 (1995 $237). Based on year-end exchange rates and the maturity dates of the various contracts, the aggregate contract value of these items approximated fair value at December 31, 1996 and December 31, 1995. Gains and losses resulting from contracts that are designated and effective as hedges are recognized in the same period as the underlying hedged transaction.

Interest Rate Risk Management

The Company uses interest rate swaps, interest rate caps, and currency swaps to manage interest rate risk related to borrowings. Interest rate and currency swap agreements which hedge third party debt issues are described in Note J. Costs associated with these financial instruments are generally amortized over the lives of the instruments and are not material to the Company's financial results. Differences in interest, which are paid or received, are recognized as adjustments to interest expense from the debt obligations.

Commodities

The Company's basic raw materials for products in its metal and plastic packaging segments are subject to significant price fluctuations. In terms of commodity risks, the Company uses a combination of commercial supply contracts and financial instruments, including forwards and options, to minimize these exposures. The maturity of the commodity instruments correlates to the actual purchases of the commodities. Commodity instruments are accounted for as hedges, with any gains or losses included in inventory, to the extent that they are designated and are effective as hedges of anticipated commodity purchases. At December 31, 1996 and December 31,1995 the fair value of the outstanding commodity contracts was not material to the Company's earnings, cash flows or financial position.

M. Capital Stock

The purchase of CMB resulted in the issuance of approximately 37.3 million shares of the Company's common stock and 12.4 million shares of Crown 4.5% cumulative convertible preferred stock (acquisition preferred) to tendering CMB shareholders. Generally, each share of acquisition preferred stock is entitled to the number of votes equal to the number of shares of common stock into which such share of acquisition preferred is convertible as of the applicable record date. Dividends on shares issued accrue and are paid quarterly in arrears on February 20, May 20, August 20 and November 20 each year. The acquisition preferred ranks senior to the Company's common stock as to dividends and liquidation rights. Each share of acquisition preferred is convertible into common stock at a rate equal to the $41.8875 par value of such acquisition preferred divided by the applicable conversion price of $45.9715, subject to adjustment in certain events. The Company will at all times reserve and keep available, out of its authorized and unissued common stock, sufficient amounts of its common stock to effect any future conversions. The acquisition preferred is mandatorily convertible February 26, 2000. The acquisition preferred has a liquidation value equivalent to its par value plus accrued and unpaid dividends.

The Board of Directors have the authority to issue, at any time or from time to time, up to a maximum of 30 million shares of additional preferred stock in one or more classes or series of a class. The additional preferred stock would rank on a parity with or junior to the acquisition preferred in respect of dividend and liquidation rights and such shares would not be entitled to more than one vote per share when voting as a class with holders of the Company's common stock. The voting rights and such designations, preferences, limitation and special rights are, subject to the terms of the Company's Articles of Incorporation, determined by the Board of Directors.

In 1996, the Company for the first time since 1956 paid dividends on its common stock. Dividends paid on the outstanding common stock, amounting to $1 per share, and on the outstanding acquisition preferred were $145.4. In conjunction with the new dividend policy on common stock, the Company registered 10 million shares of common stock with the Securities and Exchange Commission in May 1996 for the implementation of a Dividend Reinvestment and Stock Purchase Plan ("Plan"). The Plan covers all registered shareholders of the Company's common stock as well as those beneficial owners who have either become shareholders of record by having shares transferred into their name or by making arrangements with their broker or other nominees to participate on their behalf. The Plan allows for full or partial dividend reinvestment in the Company's common stock.

The Board of Directors adopted a Shareholder Rights Plan in 1995 and declared a dividend of one right for each outstanding share of common stock. Such rights only become exercisable, or transferable apart from the common stock, after a person or group acquires beneficial ownership of, or commences a tender or exchange offer for, 15% or more of the Company's common stock; except that the Rights Plan provides that CGIP's acquisition of shares of the Company pursuant to the Company's acquisition of CMB does not cause the rights to become exercisable. Each right then may be exercised to acquire one share of common stock at an exercise price of $200, subject to adjustment. Alternatively, under certain circumstances involving the acquisition by a person or group of 15% or more of the Company's common stock, each right will entitle its holder to purchase a number of shares of the Company's common stock having a market value of two times the exercise price of the right. In the event the Company is acquired in a merger or other business combination transaction after a person or group has acquired 15% or more of the Company's common stock, each right will entitle its holder to purchase a number of the acquiring company's common shares having a market value of two times the exercise price of the right. The rights may be redeemed by the Company at $.01 per right at any time until the tenth day following public announcement that a 15% position has been acquired. The rights will expire on August 10, 2005.

The Company recognizes a minimum pension liability for underfunded plans. The minimum liability is equal to the excess of the accumulated benefit obligation over plan assets. A corresponding amount is recognized as either an intangible asset, to the extent of previously unrecognized prior service cost and previously unrecognized transition obligation, or a reduction of shareholders' equity. The Company had recorded additional liabilities of $36.6 and $79.4 as of December 31, 1996 and 1995, respectively. An intangible asset of $13.7 and $17.7 and a shareholders' equity reduction, net of income taxes, of $14.8 and $32.1 was recorded as of December 31, 1996 and 1995, respectively.

The weighted average actuarial assumptions for the Company's pension plans are as follows:

	U.S. Plans			Non-U.S. Plans		
	1996	1995	1994	1996	1995	1994
Discount rate	8.0%	7.4%	8.5%	8.8%	8.5%	9.8%
Compensation increase	3.5%	5.0%	5.0%	6.5%	5.5%	7.0%
Long-term rate of return	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%

Other Postretirement Benefit Plans

The Company and certain subsidiaries sponsor unfunded plans to provide health care and life insurance benefits to pensioners and survivors. Generally, the medical plans pay a stated percentage of medical expenses reduced by deductibles and other coverages. Life insurance benefits are generally provided by insurance contracts. The Company reserves the right, subject to existing agreements, to change, modify or discontinue the plans.

The net postretirement benefit cost was comprised of the following:	1996	1995	1994
Service cost—benefits earned during the year	$ 4.2	$ 4.0	$ 5.5
Interest cost on accumulated postretirement benefit obligation	38.8	36.5	39.1
Amortization of net unrecognized (gain)	(1.4)	(5.0)	
Cost attributable to plant closings		4.2	10.8
Net postretirement benefit cost	$ 41.6	$ 39.7	$ 55.4

Health care claims and life insurance benefits paid totaled $40.9 in 1996, $42.5 in 1995 and $36.3 in 1994.

The following provides a reconciliation of the accumulated postretirement benefit obligation to the liabilities recognized in the Company's balance sheet as of December 31:

	1996	1995
Retirees	($406.2)	($418.2)
Fully eligible active plan participants	(50.3)	(41.7)
Other active plan participants	(47.8)	(47.0)
Total accumulated obligation	(504.3)	($506.9)
Unrecognized net (gain)	(103.6)	(56.1)
Accrued postretirement benefit obligation	($607.9)	($563.0)

The health care accumulated postretirement benefit obligation was determined at December 31, 1996 and 1995 using health care trend rates of 9.2% and 9.9%, respectively, decreasing to 4.9% over nine years. The assumed long-term rate of compensation increase used for life insurance was 3.5% and 5.0% at December 31, 1996 and 1995, respectively. The discount rate was 8.0% and 7.4% at December 31, 1996 and 1995, respectively. Changing the assumed health care cost trend rate by one percentage point in each year would change the accumulated postretirement benefit obligation by $40.8 and the net postretirement benefit cost by $3.3.

Employee Savings Plan

The Company sponsors a Savings Investment Plan which covers substantially all domestic salaried employees who are 21 years of age with one or more years of service. The Company matches with equivalent value of Company stock, up to 1.5% of a participant's compensation.

Employee Stock Purchase Plan

The Company also sponsors an Employee Stock Purchase Plan which covers all domestic employees with one or more years of service who are non-officers and non-highly compensated as defined by the Internal Revenue Code. Eligible participants contribute 85% of the quarter ending market price towards the purchase of each common share. The Company's contribution is equivalent to 15% of the quarter-ending market price. Total shares purchased under the plan in 1996 and 1995 were 78,051 and 84,309, respectively, and the Company's contributions were approximately $.6 and $.5 respectively.

The Company has recorded $34.3 of deferred tax assets arising from tax loss and credit carryforwards, which will be realized through future operations and an additional $127.0 which will be realized through the reversal of existing temporary differences. Future recognition of the remaining $113.7 will be made either when the benefit is realized or when it has been determined that it is more likely than not that the benefit will be realized through future earnings. Carryforwards of $34.4 expire over the next five years, $79.9 in years six through fifteen and $160.7 can be utilized over an indefinite period.

The valuation allowance of $139.0 includes $121.6 which, if reversed in future periods, will reduce goodwill.

The cumulative amount of the Company's share of undistributed earnings of non-U.S. subsidiaries for which no deferred taxes have been provided was $607.2, $467.3 and $432.2 as of December 31, 1996, 1995 and 1994, respectively. Management has no plans to distribute such earnings in the foreseeable future.

P. Minority Interests

	1996	1995
January 1	$118.6	$ 75.4
Aquisition of CMB	125.1	
Investment by minority shareholders	22.6	23.5
Formation of new jointly-owned subsidiaries		8.3
Minority interest in net income of consolidated subsidiaries	5.4	13.6
Dividends paid to minority shareholders	(18.9)	(2.0)
Change in cumulative translation adjustment	(2.5)	(.2)
Purchase of minority interests	(6.5)	
December 31	$243.8	$118.6

Q. Commitments and Contingent Liabilities

The Company has various commitments to purchase materials and supplies as part of the ordinary conduct of business. In the aggregate, such commitments are not at prices in excess of current market.

The Company is subject to various lawsuits and claims with respect to matters such as governmental regulations and other actions arising out of the normal course of business. While the impact on future financial results is not subject to reasonable estimation because considerable uncertainty exists, management believes, after consulting with counsel, that the ultimate liabilities resulting from such lawsuits and claims will not materially affect the consolidated results or financial position of the Company.

The Company's basic raw materials for the products in its Metals and Plastics packaging segments are tinplate, aluminum and resins, all of which are purchased from multiple sources. The Company is subject to material fluctuations in the cost of these raw materials and has previously adjusted its selling prices to reflect these movements. There can be no assurance, however, that the Company will be able to recover fully any increases or fluctuations in raw material costs from its customers.

R. Lease Commitments

The Company and its subsidiaries lease manufacturing, warehouse and office facilities and certain equipment, a significant portion of these obligations having been assumed with the acquisition of CMB. Certain non-cancelable leases are classified as captial leases, and the leased assets are included in "Property, plant and equipment." Other long-term non-cancelable leases are classified as operating leases and are not capitalized. The amount of capital leases reported as capital assets, net of accumulated amortization, at December 31, 1996 was $50.3.

Under long-term operating leases, minimum annual rentals are $37.1 in 1997, $29.9 in 1998, $21.4 in 1999, $14.2 in 2000, $10.4 in 2001, and a total of $48.1 for 2002 and thereafter. Under long-term capital leases, minimum annual rentals are $13.5 in 1997, $13.2 in 1998, $11.7 in 1999, $5.9 in 2000, $4.7 in 2001, and a total of $11.7 for 2002 and thereafter. The present value of future minimum payments on capital leases is $40.0 with the current portion of the obligation being $8.8. Rental expense (net of sub-lease rental income of $5.5 in 1996, $.8 in 1995 and $1.1 in 1994) amounted to $35.1 in 1996, $22.7 in 1995 and $19.6 in 1994.

(5) The following reconciles operating income to pre-tax income:

	1996	1995	1994
Operating income*	$676.5	$236.1	$277.7
Interest and other corporate expense**	(245.5)	(126.6)	(95.0)
Pre-tax income	$431.0	$109.5	$182.7

*Has been restated for prior years to conform with the 1996 presentation of operating income.
**Includes interest expense net of interest income, gain on sale of assets and translation and exchange adjustments.

(6) The following reconciles identifiable assets to total assets:

	1996	1995	1994
Identifiable assets	$12,429.8	$4,983.6	$4,737.8
Corporate assets	160.4	68.1	43.5
Total assets	$12,590.2	$5,051.7	$4,781.3

Figures for 1996 are generally not comparable to earlier years due to the February 1996 acquisition of CarnaudMetalbox.

Included in "Other" are affiliates in Canada, Central and South America, Africa and the Middle East.

For the years ended December 31, 1996, 1995 and 1994, respectively, no one customer accounted for more than 10% of the Company's net sales.

Total non-U.S. liabilities were $4,772.0, $822.4 and $777.7 at December 31, 1996, 1995 and 1994, respectively.

Certain reclassifications of prior years' data have been made to improve comparability.

Five Year Summary Of Selected Financial Data

(in millions, except shares, per share, ratios and other statistics)	1996	1995	1994	1993	1992
Summary of Operations					
Net sales (3)	$ 8,331.9	$ 5,053.8	$ 4,452.2	$ 4,162.6	$ 3,780.7
Cost of products sold	6,732.5	4,319.4	3,706.2	3,474.7	3,203.0
Depreciation and amortization	495.9	256.3	218.3	191.7	142.4
Selling and administrative expense	387.2	139.3	135.4	126.6	112.1
% to net sales	4.6%	2.8%	3.0%	3.0%	3.0%
Provision for restructuring	39.8	102.7	114.6		
Gain on sale of assets	(23.8)	(8.4)	(6.7)	(.7)	(5.6)
Interest expense, net of interest income	305.8	136.1	91.6	79.7	63.9
Translation and exchange adjustments	(36.5)	(1.1)	10.1	10.8	10.2
Income before income taxes and cumulative effect of accounting changes	431.0	109.5	182.7	279.8	254.7
% to net sales	5.2%	2.2%	4.1%	6.7%	6.7%
Provision for income taxes	134.4	24.9	55.6	97.4	101.0
Minority interests, net of equity earnings	(12.6)	(9.7)	3.9	(1.5)	1.7
Net income before cumulative effect of accounting changes	284.0	74.9	131.0	180.9	155.4
% to net sales	3.4%	1.5%	2.9%	4.3%	4.1%
Cumulative effect of accounting changes (1)				(81.8)	
Net income (2)	284.0	74.9	131.0	99.1	155.4
Preferred stock dividends	19.8				
Net income available to common shareholders	$ 264.2	$ 74.9	$ 131.0	$ 99.1	$ 155.4
Return on average shareholders' equity	10.5%	5.3%	10.0%	8.3%	13.9%
Financial Position at December 31					
Working capital	($ 370.6)	$ 429.9	$ 122.6	$ 43.8	$ 174.5
Total assets	12,590.2	5,051.7	4,781.3	4,236.3	3,825.1
Short-term debt plus current long-term debt maturities	1,154.3	608.1	735.8	474.8	379.4
Long-term debt	3,923.5	1,490.1	1,089.5	891.5	939.9
Total debt to total capitalization	56.4%	56.2%	55.3%	50.1%	52.1%
Minority interests	243.8	118.6	75.4	53.7	45.6
Shareholders' equity	3,563.3	1,461.2	1,365.2	1,251.8	1,143.6
Common Share Data (dollars per share)					
Earnings per average common share before cumulative effect of accounting changes	$ 2.16	$ .83	$ 1.47	$ 2.08	$ 1.79
Earnings per average common share	2.16	.83	1.47	1.14	1.79
Cash dividends	1.00				
Market price on December 31	54.38	41.75	37.75	41.88	39.88
Book value (based on year-end outstanding shares)	23.69	16.12	15.28	14.09	13.24
Number of shares outstanding at year-end	128,410,797	90,650,814	89,360,040	88,814,533	86,348,180
Average shares outstanding	122,468,206	90,233,518	89,086,999	87,086,553	86,895,574
Shareholders (on record)	5,736	5,976	6,011	6,168	4,193
Other Statistics					
Capital expenditures	$ 631.2	$ 433.5	$ 439.8	$ 271.3	$ 150.6
Number of Employees	44,611	20,409	22,373	21,254	20,378
Actual preferred shares outstanding	12,432,622				

Notes:

Total capitalization includes total debt (net of cash and cash equivalents), minority interests and shareholders' equity.

Certain reclassifications of prior years' data have been made to improve comparability. The Company has completed a number of acquisitions during the periods presented. Such acquisitions were accounted for using the purchase method and may affect the comparability of data on a year-to-year basis

(1) In 1993, the Company adopted SFAS No's 106, 109 and 112 which resulted in an after-tax charge from the cumulative effect of adopting these pronouncements

(2) Figures for 1996, 1995 and 1994 include after-tax adjustments for restructuring, $31.7 or $.26 per share, $67.0 or $.74 per share and $73.2 or $.82 per share, respectively, and for 1993 the cumulative effect of accounting changes of $81.8 or $.94 per share. Without these adjustments, the return on average shareholders' equity in 1996, 1995, 1994 and 1993 would have been 11.7%, 9.6%, 14.7% and 14.6%, respectively

(3) The significant sales growth since 1992 is attributed primarily to the acquisitions of CMB (2/96), Van Dorn Company (4/93) and CONSTAR International (10/92)

Management's Discussion and Analysis

(in millions, except per share, employee, shareholder and statistical data)

INTRODUCTION

This discussion summarizes the significant factors affecting the results of operations and financial position of Crown Cork & Seal Company, Inc. (the "Company") during the three-year period ended December 31, 1996. This discussion should be read in conjunction with the Letter to Shareholders and the Consolidated Financial Statements included in this annual report.

Effective February 22, 1996, the Company completed its acquisition of CarnaudMetalbox (CMB). The consolidated financial statements include the results of CMB operations from this date.

The financial results for 1996 were impacted by restructuring charges totaling pre-tax $39.8 ($31.7 after taxes or $.26 per share).

The financial results for 1995 and 1994 were impacted by a two-phase restructuring plan outlined by the Company in March 1994. Pre-tax income was charged for $102.7 ($67.0 after taxes or $.74 per share) and $114.6 ($73.2 after taxes or $.82 per share), in 1995 and 1994, respectively.

Further information concerning the details of the restructuring plan, including a reconciliation of the restructuring accrual, is included in Note I of the Consolidated Financial Statements and under Restructuring as provided later in this discussion.

RESULTS OF OPERATIONS

NET SALES

Net sales during 1996 were $8,331.9, an increase of $3,278.1 or 64.9% versus 1995 net sales of $5,053.8. Net sales during 1994 were $4,452.2. Sales from domestic operations decreased 1.5% in 1996 compared with a 13.7% increase in 1995. Foreign sales increased 198.3%, in 1996 following a 13.2% increase in 1995. Domestic sales accounted for 39.9% of consolidated sales in 1996, 66.8% in 1995 and 66.7% in 1994.

	Net Sales			% Increase/ (Decrease)	
DIVISION	1996	1995	1994	1996/1995	1995/1994
Americas	$3,625.9	$3,903.8	$3,479.7	(7.1)	12.2
Europe	4,165.9	914.3	758.1	355.6	20.6
Asia-Pacific	376.2	151.9	126.5	147.7	20.1
Other	163.9	83.8	87.9	95.6	(4.7)
	$8,331.9	$5,053.8	$4,452.2	64.9	13.5

The decrease in 1996 Americas Division net sales is a result of (i) decreased raw material prices which forced decreases in selling prices, primarily in PET bottles and aluminum beverage cans and ends, (ii) a seven week work stoppage at eight plants and (iii) weaker economic conditions in Argentina and Brazil; partially offset by (i) the inclusion of Anchor Hocking Packaging acquired as part of the CMB transaction and (ii) sales unit volume increases in aluminum beverage ends, food cans, aerosol cans and plastic closures. The increase in 1995 Americas Division net sales is a result of (i) increased raw material prices which forced increases in selling prices, primarily in PET bottles and aluminum cans and ends (ii) sales unit volume increases in PET bottles and food cans and (iii) a full year's sales from the Company's food can plants acquired from Tri-Valley Growers in June 1994; partially offset by (i) sales unit volume decreases in aerosol cans and aluminum beverage cans and ends and (ii) the weakening of the Mexican peso against the U.S. dollar during 1995. U.S. sales accounted for approximately 84.2% of division net sales in 1996, 85.4% in 1995 and 83.9% 1994.

Net sales in the European Division, which includes Europe, Africa and the Middle East, increased in 1996 over 1995 due to the acquisition of CMB. Net sales for the Company's existing European Division operations were down 18.4% in 1996 compared to 1995 due primarily to: (i) decreased PET resin prices which were passed on to customers in the form of lower selling prices, (ii) lower sales unit volumes of PET bottles, (iii) aggressive pricing from competition for beverage closures, (iv) the closure of an aluminum beverage end plant and (v) the divestiture of aerosol operations in Italy and the United Kingdom as required by the European Commission in connection with the CMB acquisition. Comparable sales from CMB's historical operations were marginally lower than 1995 due to: (i) lower volumes and selling prices for plastic packaging, (ii) soft

Management's Discussion and Analysis

An analysis of operating income, before restructuring, by operating division follows:

	Operating Income			% Increase/ (Decrease)	
DIVISION	1996	1995	1994	1996/1995	1996/1995
Americas	$200.3	$227.1	$295.6	(11.8)	(23.2)
Europe	490.0	70.7	64.2	593.1	10.1
Asia-Pacific	10.7	31.0	25.8	(65.5)	20.2
Other	15.3	10.0	6.7	53.0	49.3
	$716.3	$338.8	$392.3	111.4	(13.6)

Operating income in the Americas Division was 5.5% of net sales in 1996 versus 5.8% in 1995 and 8.5% in 1994. The decrease in 1996 operating margins was due to: (i) continued pricing pressures in both metal and plastic beverage containers, (ii) a seven week work stoppage at eight plants; (iii) lower sales unit volumes of PET bottles and (iv) weaker economic conditions in Argentina and Brazil, partially offset by; (i) the benefits accruing from the restructuring programs initiated in the U.S. in 1995 and 1994, (ii) sales unit volume increases in aluminum beverage ends, food cans, aerosol cans and plastic closures, (iii) increased sales volumes and improved productivity in Canada and Mexico and (iv) the inclusion of Anchor Hocking Packaging, acquired as part of the CMB transaction. Operating income in 1995 decreased compared to 1994 due to increases in raw material costs, principally steel and aluminum, which were not fully passed through to customers, and sales unit volume declines in aerosol cans and aluminum beverage cans and ends; partially offset by sales unit volume increases in food cans, as the division benefited from a full year of operations of the Tri-Valley container plants acquired in June 1994 and the benefits associated with the Company's three-piece steel food and aerosol plant restructuring program initiated in 1994. The Company's suppliers of aluminum can and end sheet implemented a new pricing structure for 1995 which, by formula, is directly tied to the price of ingot on the London Metal Exchange (LME). The formula takes the LME spot price of aluminum ingot and adds other costs to convert and transport aluminum, thereby effectively transferring the volatility in the commodity markets to the Company. This pricing formula remained in effect during 1996. During 1996, the Company entered into contracts with its suppliers of aluminum can and end sheet which, by formula, guarantees prices for a period of six months. This pricing structure is directly tied to a rolling average of the prior six months' market price of aluminum on the LME. Further, "ceiling" prices have been established under these contracts which set maximum prices that the Company would pay for aluminum.

European Division operating income was 11.8% as a percentage of net sales in 1996 compared to 7.7% in 1995 and 8.5% in 1994. The increase in operating income in 1996 is directly attributable to the addition of CMB operations, primarily its food, beverage and aerosol can businesses. Operating margins for the Company's existing facilities in Europe were lower than 1995 levels due primarily to competitive pressures resulting in reduced volumes and prices for metal and plastic packaging. Comparable operating margins for acquired CMB operations were ahead of 1995 levels due to (i) sales unit volume gains in food, beverage and aerosol cans and (ii) cost reduction programs in which the Company began streamlining (a) inefficient plants, (b) excess administrative overheads and (c) negative contribution products. Partially offsetting these gains were (i) increased prices for tinplate and (ii) volume erosion and pricing pressure from soft markets in specialty packaging and plastics. Operating income in 1995 increased over 1994 as a result of (i) increased sales unit volumes in beverage cans, aerosol cans, plastic closures and plastic bottles and (ii) the strengthening of many European currencies against the U.S. dollar. As a percentage of net sales, operating income in 1995 decreased compared to 1994 due primarily to product mix and increased raw material costs.

Operating income in the Asia-Pacific Division was 2.8% of net sales in 1996 versus 20.4% in 1995 and 20.4% in 1994. The decrease in 1996 operating margins was due primarily to the addition of CMB operations as excess beverage can capacity and competitive pricing has significantly eroded profits in China. Other factors affecting operating margins were (i) lower sales volumes and competitive pricing in Malaysia (ii) competitive beverage can pricing in Singapore, (iii) sales unit volume declines in three-piece cans in Singapore and (iv) new plant start-ups in China, Singapore and Vietnam; partially offset by (i) strong beverage and food can volumes in Thailand and (ii) increased efficiencies in Shanghai. Operating income in 1995 increased over 1994 due to plastic closure expansion in Thailand and increased efficiencies at beverage plants in China.

Management's Discussion and Analysis

equal earnings per share for the years ended December 31, 1996, 1995 and 1994 due to the effect of shares issued during 1996, 1995, and 1994.

INDUSTRY SEGMENT PERFORMANCE

This section presents individual segment results for the last three years. The after-tax charge of $31.7 or $.26 per share related to 1996 restructuring is included in the Metal Packaging segment (Metals) and is excluded in making comparisons to 1996 results. The after-tax charge of $67.0 or $.74 per share related to the 1995 restructuring charge is included as an after-tax charge in Metals of $60.1 or $.67 per share and an after-tax charge of $6.9 or $.07 per share in the Plastics Packaging segment (Plastics) and is excluded in making comparisons to 1995 results. The after-tax charge of $73.2 or $.82 per share related to the 1994 restructuring charge is included as an after-tax charge in Metals and is excluded in making comparisons to 1994 results.

Net sales for Metals in 1996 were $6,619.7, an increase of 73.7% compared to 1995 net sales of $3,811.1. Net sales in 1994 were $3,494.3. Metals sales in 1996 increased over 1995 due to the CMB acquisition, partially offset by decreased aluminum prices which were passed on to customers in the form of lower selling prices. Metals sales in 1995 increased over 1994 as a result of (i) increased raw material prices, particularly aluminum, which were partially passed on to customers in the form of higher selling prices, (ii) increased sales unit volumes in food cans in the U.S. and (iii) increased sales unit volumes in Argentina, China, The Netherlands and the United Arab Emirates.

Metals operating income in 1996 was $497.6, before restructuring charges of $39.8 or 7.5% of net sales compared to 1995 operating income of $253.6 or 6.7% of net sales, before restructuring charges of $94.4. Operating income in 1994 was $315.9 or 9.0% of net sales, before restructuring charges of $114.6. The increase in Metals operating income in 1996 is directly attributable to the European food, beverage and aerosol businesses acquired with CMB and increased margins in the North American food and beverage businesses due to improved manufacturing efficiencies, a result of prior restructuring and capital expenditure programs.

Net sales for Plastics increased $469.5 or 37.8% in 1996 from $1,242.7 in 1995. The increase in 1996 Plastics net sales is due entirely to Plastic businesses acquired with the CMB transaction offset by decreased PET prices which were passed on to customers in the form of lower selling prices. Net sales for 1995 increased $284.8 or 29.7% against 1994 net sales of $957.9. The increase in 1995 was primarily a result of the increased unit capacity in the Company's CONSTAR plants. The increased capacity had been generated through significant capital investments during the three years ending December 31, 1995.

Plastics operating income in 1996 was $218.7 or 12.8% of net sales as compared to 1995 operating income of $85.2 or 6.9% of net sales, before restructuring charges of $8.3. Operating income in 1994 was $76.4 or 8.0% of net sales. The increase in Plastics operating income in 1996 is due to the CMB acquisition as profits in all sectors of Plastics but PET beverage bottles offset increasing price competition in PET beverage bottles. Additionally, as a percentage to net sales, Plastics operating income increased in 1996 due to the effect of PET resin price decreases. The decrease in Plastics operating income in 1995 was a result of increased PET resin costs not fully recovered due to competitive pressures in the PET beverage bottle market.

FINANCIAL POSITION

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position remains strong. Cash and cash equivalents totaled $160.4 at December 31, 1996 compared to $68.1 and $43.5 at December 31, 1995 and 1994, respectively. The Company's primary sources of cash in 1996 consisted of (i) funds provided from operations $911.2; (ii) the sale of businesses $107.9; and, (iii) proceeds from long-term borrowings $2,075.1. The Company's primary uses of cash in 1996 consisted of (i) the acquisition of CMB $1,537.5; (ii) capital expenditures of $631.2; (iii) net change in short-term debt $423.3; and, (iv) dividends paid $145.4. Improved cash from operations has resulted from (i) growth in net income before non-cash charges for depreciation and amortization, (ii) the portion of the seasonal buildup of CMB's inventories occurring before the acquisition date and (iii) reduced working capital requirements due to lower raw material costs.

The Company funds its working capital requirements on a short-term basis primarily through issuances of commercial paper. At December 31, 1996 the commercial paper program was supported by a $1,000 multi-currency credit facility which was formalized in February 1995, maturing in February 2000 with interest at market rates. The Company's use of the facility was not restricted. At December 31, 1996 and December 31, 1995, there were no funds drawn against this facility. Based on the Company's intention and ability to maintain its credit facility beyond 1997 and 1996, respectively, $700 and $300 of commercial

Management's Discussion and Analysis

ACQUISITION OF CARNAUDMETALBOX

On February 26, 1996, the Company completed settlement of its previously announced Exchange Offer (the "Offer") to acquire all of the outstanding shares of common stock, par value FRF 10 per share, of CMB, a French société anonyme. Under the terms of the Offer, the Company offered to exchange or purchase each CMB share validly tendered in the Offer for, at the election of the holder, either (1) 1.086 Units, each Unit consisting of .75 shares of Crown common stock, par value $5.00 per share and .25 shares of Crown 4.5% Convertible Preferred Stock, par value $41.8875 per share (acquisition preferred) or (2) FRF 225 in cash. The Offer was made pursuant to the terms of the Exchange Offer Agreement dated May 22, 1995, as amended, between the Company and Compagnie Générale d'Industrie et de Participations (CGIP), a French société anonyme and the principal shareholder of CMB. A description of the Exchange Offer Agreement was previously reported in the Company's Current Report on Form 8-K dated May 22, 1995 and the Company's Proxy Statement/Prospectus, dated November 14, 1995 forming a part of the Company's Amendment No. 1 to its Registration Statement on Form S-4 filed with the Securities and Exchange Commission on November 14, 1995.

85,932,200 CMB shares, representing approximately 98.7% of the outstanding CMB shares, were validly tendered into the Offer. Of the CMB shares tendered, 40,125,325 were tendered for cash (aggregating approximately FRF 9,000 or approximately $1,800) and 45,797,825 were exchanged for Units (resulting in the Company issuing 37,300,818 shares of common stock and 12,432,622 shares of acquisition preferred). Pursuant to the terms of the Exchange Offer Agreement, CGIP exchanged its CMB shares for Units and received 21,330,903 shares of common stock and 7,110,300 shares of acquisition preferred. The Company acquired the remaining outstanding shares of CMB during the second quarter of 1996. On October 24, 1996, the Company announced that CGIP had sold a portion of its investment in the Company to a group of underwriters. CGIP sold 10,637,500 shares of the Company's common stock and 3,450,000 shares of the Company's 4.5% convertible preferred stock, resulting in total gross proceeds to CGIP of $644.6 million, before underwriting discounts, commissions and expenses. Upon completion of the offering, CGIP owned common and convertible preferred stock representing approximately 10.1% of the Company's voting power versus 19.9% previously. The Company did not receive any of the proceeds from these secondary offerings. CGIP's shares of common stock and acquisition preferred are held pursuant to the Shareholders Agreement more fully described below.

The financing for the cash portion of the consideration paid in the Offer was obtained pursuant to the Credit Agreement as more fully described earlier in this discussion.

In accordance with the terms of the Exchange Offer Agreement, the Company has adopted Amended and Restated Articles of Incorporation and the terms of preferred stock and has amended and restated its Bylaws.

Pursuant to the Exchange Offer Agreement, the Company and CGIP entered into a Shareholders Agreement dated as of February 22, 1996. Subject to the terms of the Shareholders Agreement, CGIP has agreed to certain standstill provisions which prohibit CGIP from acquiring beneficial ownership of voting securities representing more than 19.95% of the outstanding total voting power of the Company, making a takeover proposal of the Company or its subsidiaries and taking certain other actions.

The Shareholders Agreement provides that CGIP is entitled to designate up to three persons to be nominated for election as directors of the Company at each annual meeting of Company shareholders, depending on the amount of Company voting securities beneficially owned by CGIP. On February 22, 1996, the Company's Board of Directors elected Ernest-Antoine Seillière, Guy de Wouters and Felix G. Rohatyn, who is not standing for reelection in 1997, to the Company's Board in accordance with this provision.

CGIP has also agreed to vote any Company voting securities beneficially owned by CGIP during the standstill period (as defined in the Shareholders Agreement), in the manner recommended by the Company's Board of Directors in connection with the election of directors of the Company and any question relating to a takeover proposal. The standstill period began on February 22, 1996 and terminates under certain circumstances upon the earliest to occur of (i) the later of February 22, 1999 and the date on which CGIP beneficially owns voting securities of the Company representing less than 3.5% of the outstanding total voting power of the Company, (ii) the date the Company breaches certain provisions relating to CGIP's board representation or the Company's dividend policy or debt rating, (iii) the date the Company agrees to recommend (or ceases to oppose) the consummation of a specified event (as defined in the Shareholders Agreement) or enters into, or takes material steps to solicit, an agreement with respect to certain fundamental corporate transactions involving the Company or its subsidiaries, (iv) the date a person other than CGIP acquires 25% of the total voting power of the Company, or (v) the date any CGIP Designee fails to be elected to the Company's Board of Directors.

ENVIRONMENTAL MATTERS

The Company has adopted a Corporate Environmental Protection Policy. The implementation of this Policy is a primary management objective and the responsibility of each employee of the Company. The Company is committed to the protection of human health and the environment, and is operating within the increasingly complex laws and regulations of national, state, and local environmental agencies or is taking action aimed at assuring compliance with such laws and regulations. Environmental considerations are among the criteria by which the Company evaluates projects, products, processes and purchases, and, accordingly, does not expect compliance with these laws and regulations to have a material effect on the Company's competitive position, financial condition, results of operations or capital expenditures.

The Company is dedicated to a long-term environmental protection program and has initiated and implemented many pollution preventing programs with the emphasis on source reduction. The Company continues to reduce the amount of metal and plastic used in the manufacture of steel, aluminum and plastic containers through "lightweighting" programs. The Company not only recycles nearly 100 percent of scrap aluminum, steel, plastic and copper used in its manufacturing processes, but through its Nationwide Recyclers subsidiary, is directly involved in post-consumer aluminum, steel and plastics recycling. Additionally, the Company has exceeded the United States Environmental Protection Agency's (EPA) 1995 goals for its 33/50 program which called for companies, voluntarily, to reduce toxic air emissions by 33% by the end of 1992 and by 50% by the end of 1995, compared to the base year of 1988. The cost to accomplish this reduction did not materially affect operating results. Many of the Company's programs for pollution prevention lower operating costs and improve operating efficiencies.

The Company has been identified by the EPA as a potentially responsible party (along with others, in most cases) at a number of sites. Estimated remedial expenses for active projects are recognized in accordance with generally accepted accounting principles governing probability and the ability to reasonably estimate future costs. Actual expenditures for remediation were $6.0 during 1996 and $3.3 in 1995. The Company's balance sheet reflects estimated gross remediation liabilities of $53.6 and $20.7 at December 31, 1996 and 1995, respectively, and estimated recoveries related to indemnification from the sellers of acquired companies and the Company's insurance carriers of $16.6 and $15.5 at December 31, 1996 and 1995, respectively.

Environmental exposures are difficult to assess for numerous reasons, including the identification of new sites, advances in technology, changes in environmental laws and regulations and their application, the scarcity of reliable data pertaining to identified sites, the difficulty in assessing the involvement of and the financial capability of other potentially responsible parties and the time periods (sometimes lengthy) over which site remediation occurs. It is possible that some of these matters (the outcome of which are subject to various uncertainties) may be decided unfavorably against the Company. It is however, the opinion of Company management, after consulting with counsel, that any unfavorable decision will not have a material adverse effect on the Company's financial position, cash flows or results of operations.

COMMON STOCK AND OTHER SHAREHOLDERS' EQUITY

Shareholders' equity was $3,563.3 at December 31, 1996, as compared with $1,461.2 at December 31, 1995. The increase in 1996 equity represents the retention of $264.2 of earnings in the business, a $17.3 minimum pension liability adjustment as more fully described in Note N to the Consolidated Financial Statements, the issuance of 37,300,818 common shares (common) and 12,432,622 shares of 4.5% cumulative convertible preferred stock (acquisition preferred) in connection with the acquisition of CMB and the issuance of 459,165 common shares for various stock purchase and savings plans offset by dividends declared on common of $128.2 and equity adjustments for currency translation in non-U.S. subsidiaries of $145.4. The book value of each share of common stock at December 31, 1996 was $23.69 as compared to $ 16.12 at December 31, 1995.

In 1996, the return on average shareholders' equity before restructuring was 11.7% as compared to 9.6% in 1995. Including the restructuring charges, the return on average shareholders' equity was 10.5% in 1996 compared to 5.3% in 1995.

The Board of Directors has approved resolutions authorizing the Company to repurchase shares of its common stock to meet the requirements for the Company's various stock purchase and savings plans. The Company acquired 7,401 shares and 347,360 shares of common stock in 1995 and 1994 for $.3 and $12.7, respectively. There were no stock repurchases during 1996.

DIVIDENDS/ISSUANCE OF STOCK IN CONNECTION WITH CMB ACQUISITION

During 1996, the Company declared cash dividends totaling $128.2 representing a quarterly dividend of $.25 per common share.

During 1995, the Company, pursuant to a shareholder rights plan, authorized the distribution of one right per common share held, to be exercisable in certain events involving the acquisition of 15 per cent or more of the Company's outstanding common stock. Upon the completion of the CMB acquisition, the Company's shareholders also authorized the Company to issue up to an

FABRICATED PRODUCTS

METAL PACKAGING

CANS

PRODUCTS	PROCESSES	MARKETS
Steel & aluminum cans Straight wall & shaped Printed, coated, decorated, necked, embossed, etc.	2-Piece drawn and ironed 2-Piece draw and redraw 2-Piece draw 3-Piece welded 3-Piece soldered 3-Piece cemented & fabricated	Aerosol Beer and beverage Processed food Powdered foods Industrial chemicals Automotive Paint Specialized products of many types

CLOSURES

Steel & aluminum Printed, coated, decorated	Crowns Can ends Easy open ends (EOLE) Vacuum closures Roll on pilfer proof	Beer and beverage Powdered food Water products

PLASTIC PACKAGING

PRODUCTS	PROCESSES	MARKETS
Caps Bottles Preforms Tubes Lipstick Eye care Pumps Sprays Valves	Blow molding Injection molding Injection blow molding Compression molding Fabricated metal & plastic	Automotive Beer & beverage Cosmetics Food Juice Water products Industrial and household Specialty and chemicals

COMPOSITE PACKAGING

PRODUCTS	MARKETS
Spiral wound Laminated products	Food Household Specialized products of many types

MACHINERY

PRODUCTS:

Wide range of can, end and cap making equipment; conveyor systems for cans, plastic and glass bottles; process and filling equipment for metal, plastic and glass packaging; and industrial systems and equipment.



CROWN CORK & SEAL COMPANY, INC.

Corporate Headquarters
One Crown Way
Philadelphia, PA 19154-4599

Incorporated under the laws of New York

CAPITAL STOCK $2,500,000.

SHARES $100 EACH

No. 95

2203 Shares

MUNDET CORK CORPORATION

This Certifies that Crown Cork Sial Company, Inc. is the owner of Two thousand two hundred three (2203) fully-paid and non-assessable Shares of the Capital Stock of

MUNDET CORK CORPORATION

transferable on the books of the Corporation in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof the Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 13th day of November 1963

Secretary Treasurer

Vice President President

This Bill of Sale, conveyance and Assignment and the covenants herein contained shall inure to the benefit of, and shall bind, the respective parties hereto and their respective legal representatives, successors and assigns.

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed by its duly authorized executive officers and its corporate seal affixed by its Assistant Secretary as of the 8th day of February, 1964.

MUNDET CORK CORPORATION, a Division of Crown Cork & Seal Company, Inc.

By John J. Connelly
Ch. Bd. ~~President~~

Attest:
Harry R. Warren
Harry R. Warren - Asst. Secretary

STATE OF PENNSYLVANIA :
SS.
COUNTY OF PHILADELPHIA :

On this, the 25th day of February, 1964, before me the undersigned, a Notary Public, personally appeared John F. Connelly who acknowledged himself to be Ch. of the Board of Mundet Cork Corporation, a New York corporation; and that he as such Ch. of the Bd., being authorized to do so, executed the foregoing BILL OF SALE AND ASSIGNMENT for the purposes therein contained by signing the name of the corporation by himself as

Witness my hand and notarial seal.

Shirley Fox
Notary Public

SHIRLEY FOX, Notary Public
Philadelphia, Philadelphia County
My Commission Expires February 23, 1967

ASSUMPTION

For value received and intending to be legally bound, Buyer for itself, its successors and assigns, hereby assumes all liabilities and obligations of the Seller arising from and after February 8, 1964, under the Leases Contracts and Performance Bonds, identified and specified on Schedules 9, 10, 11 and 12, attached to the foregoing Bill of Sale and Assignment.

BALDWIN-EHRET-HILL, INC.

By E. R. Stevens
President

Attest: N. Abelmann
Secretary

STATE OF Pa.
COUNTY OF Phila.

On this, the 28th day of February, 1964, before me, the undersigned, a Notary Public, personally appeared E. R. Stevens who acknowledged himself to be President of Baldwin-Ehret-Hill, Inc., a Pennsylvania corporation; and that he as such President, being authorized to do so, executed the foregoing Assumption for the purposes therein contained by signing the name of the corporation by himself as

Witness my hand and notarial seal.

Shirley Fox
Notary Public
SHIRLEY FOX, Notary Public
Philadelphia, Philadelphia County
My Commission Expires February 13, 1967

CLOSING STATEMENT

(Cut-Off Date - February 8, 1964)

SELLER: Mundet Cork Corporation, A Division of Crown Cork & Seal Company, Inc.
9300 Ashton Road
Philadelphia 36, Penna.

BUYER: Baldwin-Ehret-Hill, Inc.
500 Breunig Avenue
Trenton, New Jersey

	DUE SELLER	DUE BUYER
BASIC PURCHASE PRICE (Including plant machinery and equipment, trade names, trademarks, and negative covenants)	$ 500,000.00	
INVENTORIES:		
Schedule 1 — Finished goods - work in process - Seller's manufacturing cost or contract cost, less 15%, whichever is lower	317,198.45	
Schedule 2 — Costs on contracts in progress From 2/1 to 2/8/64	206,724.78	
Schedule 3 — Costs on contracts in progress From inception to 1/31/64 (no progress billing made)	61,409.92	
Schedule 4 — Raw materials and useable purchased materials at Seller's purchase price	522,622.05	
ACCOUNTS RECEIVABLE:		
Schedule 5	1,924,657.21	
Less payments 2/9 to 2/24/64		$ 295,153.64
Schedule 6 — BRANCH OFFICE EQUIPMENT, FURNITURE, FIXTURES & SMALL TOOLS:	35,600.00	
Schedule 7 — PRORATION OF FEBRUARY RENT AND DEPOSITS ON LEASES:	8,760.02	
TOTALS	$3,576,972.43	$ 295,153.64
Less: Amount due Buyer	295,153.64	
NET AMOUNT DUE SELLER	$3,281,818.79	

BILL OF SALE AND ASSIGNMENT

For value received and intending to be legally bound, MUNDET CORK CORPORATION, a New York corporation, located at 7101 Tonnelle Avenue, North Bergen, New Jersey (hereinafter referred to as "SELLER), a Division of Crown Cork & Seal Company, Inc., a New York corporation, located at 9300 Ashton Road, Philadelphia 36, Pennsylvania, hereby sells, assigns, grants, conveys, transfers and sets over to BALDWIN-EHRET-HILL, INC., a Pennsylvania corporation, located at 500 Breunig Avenue, Trenton, New Jersey (hereinafter referred to as "BUYER"), the following assets, goods, chateels and rights of Seller's Thermal Insulation Contract Division:

1) Seller's inventory of finished goods and work in process at Seller's manufacturing cost or contract cost, less 15%, whichever is lower, all in the quantities and at the locations specified in Schedule 1, attached hereto and made a part hereof by reference;

2) Seller's contracts in progress, based upon costs from February 1, 1964 to February 8, 1964, as specified in Schedule 2, attached hereto and made a part hereof by reference;

3) Seller's contracts in progress upon which no progress billings have been made, based on costs from inception to January 31, 1964, as specified in Schedule 3, attached hereto and made a part hereof by reference;

4) Seller's inventory of raw materials and useable purchased materials at Seller's purchase price, all in the quantities and at the locations specified in Schedule 4, attached hereto and made a part hereof by reference;

5) All accounts receivable specified in Schedule 5, attached hereto and made a part hereof by reference, ~~based upon 97-1/2% of unpaid balance;~~

6) All of the office furniture, fixtures, equipment and small tools located in the branch offices of Seller, identified in Schedule 6, attached hereto and made a part hereof by reference;

7) Any and all rents and/or deposits on Leases as identified in Schedule 7, attached hereto and made a part hereof by reference;

8) The items of machinery and equipment located at Seller's North Bergen, New Jersey plant, as specified in Schedule 8, attached hereto and made a part hereof by reference;

9) All of Seller's right, title and interest in all Thermal Insulation Contracts and 6 Performance Bonds, identified and specified in Schedule 9, attached hereto and made a part hereof by reference;

The parties have executed a master contract and bond assignment form and agree that reproductions of such form with individual contract numbers and names inserted shall be attached to each individual contract and shall be considered as an original executed assignment.

The contract files shall be physically delivered to Buyer at a time and place designated by mutual agreement of the parties.

10) All of Seller's right, title and interest in the Branch Manager Contracts in effect, identified and specified in Schedule 10, attached hereto and made a part hereof by reference;

The time and place of physical delivery of said contracts shall be agreed to by the parties.

11) All of Seller's right, title and interest in the Branch Offices and Warehouses leased by Seller and assigned to Buyer under separate and individual Assignments, identified and specified in Schedule 11, attached hereto and made a part hereof by reference;

12) All of Seller's right, title and interest in three (3) Vehicle Leases, identified and specified in Schedule 12, attached hereto and made a part hereof by reference.

To have and to hold the assets and rights hereby transferred and assigned or intended to be transferred and assigned unto the Buyer, forever.

Upon receipt of written notice from Buyer, within one year from February 28, 1964, Seller will execute and deliver to Buyer such documents as shall be necessary to grant to Buyer a perpetual, royalty-free, exclusive world-wide license for the use, in connection with the manufacture, distribution and installation of thermal insulation, of such of Seller's present trade names and trademarks as are specified in that notice.

Seller appoints Buyer its true and lawful attorney, with full power of substitution, to demand, receive and collect all moneys, claims or rights due or to become due from the assets and rights hereby sold, assigned and transferred, and to give receipts and releases with respect thereto, and to institute any necessary proceedings to collect or enforce any such moneys, claims or rights.

Seller agrees to execute and deliver to Buyer all such further in-

struments of assignment or other documents, and to take all such other action as may be necessary or, in Buyer's opinion, desirable to fully convey and assign to Buyer title to all the assets and rights hereby sold, assigned and transferred or intended so to be.

Seller represents and warrants that Seller has and hereby conveys to Buyer good and marketable title to the assets and rights recited herein and on the schedules attached hereto, free and clear of all liens, charges, claims and encumbrances of any nature whatsoever.

Seller represents and warrants to Buyer that the amounts listed on Schedule 5 hereto are due and owing in full to the Seller on the date hereof, and are not subject to any deduction, defense, set-off, or counterclaim of any nature whatsoever.

Pursuant to Paragraph 5, page 2 herein and Schedule 5, sums of money collected through February 24, 1964 are hereby deducted from the total receivables referred to in Paragraph 5, page 2 and Schedule 5. Collections applicable to these receivables and other monies collected, owing to Buyer after February 24, 1964, will be remitted daily by Seller to Buyer.

In the event of any sales, transfer or similar taxes incurred with respect to this Bill of Sale or any Assignments thereunder, or any future Assignments necessary to be made to Buyer by Seller, such taxes shall be divided equally between Buyer and Seller.

Seller covenants that for five (5) years after February 28, 1964, it will not engage in the production of calcium silicate or magnesia at its North Bergen, New Jersey plant, or sell such plant to another company for the production of such products, and Seller will not engage in the Thermal Insulation Contract business for such period of time.