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TUP - Q3 2013 Tupperware Brands Earnings Conference Call

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OVERVIEW:

TUP reported 3Q13 adjusted EPS of $1. For full-year 2013, expects sales to grow 6-7% and EPS (excluding items) to be $5.45-5.50. For 4Q13, sales to grow 5-7% and EPS (excluding items) to be $1.83-1.88.

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PRESENTATION

Operator

Good morning. My name is Cassandra and I will be your conference operator today. At this time, I would like to welcome everyone to the Tupperware Brands Corporation Third Quarter 2013 Earnings Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question and answer session.

(Operator Instructions)

At this time, I would like to turn the call over to Rick Goings. You may begin.

Rick Goings *- Tupperware Brands Corporation - Chairman & CEO*

Thank you, everybody. Hello, I'm in Salvador da Bahia, Brazil with 1,000 members of our Brazilian sales force, also Paola Kiwi, our President of our Brazilian business. Paola, thank you for being here. Later in the call, we're going to hear from Paola about our Brazilian business, which is incredibly successful and dynamic. Mike Poteshman, our CFO, and Teresa Burchfield, our head of Investor Relations, are in Orlando. Last quarter, we began including in our presentation something online for you will relate to the slides as I go through that. The feedback has been very positive, so we'll go along the same way rather than have such a formal presentation.

Our comments will relate to the slides. As usual, you know the drill, on slide 2, with regard to forward-looking comments, so I'll refer you to our Company's position on that. Let me get into slide 3. Overall, it was a successful quarter. Sales were up 6%, which was in the middle of our guidance range. Our adjusted earnings per share of $1 was also in our range of $0.99 to $1.04; in spite, I might add, of $0.04 worsening from foreign exchange that we had in the outlook we gave you in July. We're hoping that analysts in the future will start to take into consideration movements in foreign exchange.

69% of our sales were for emerging markets; they were up 13%. While a number of our established markets were up in the quarter, the overall established markets were down 8%. By the way, the majority of that -- and I'll [drill] down -- really came from Germany, France, and BeautiControl. You'll hear later that Germany and France are really short-term issues. We feel good about those businesses, while BeautiControl is a longer term issue. Regarding cash flow, pleased to see $92 million, that's $21 million ahead of last year, and we returned $132 million to shareholders. $32 million of that was in dividend and $100 million in share repurchase.

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On slide 4, I'm going to drill down here. First, I wanted to reiterate the strength of having a global portfolio. I've often been asked, in the 1,100 IR meetings I've done over the years, what keeps you up at night? For the first six, seven years running this Company, it was simply one word -- Germany. That's not it anymore. We have a global portfolio and you see that in that slide that it's a small quarter for Europe and also that Asia Pacific continues to be a growing contributor. It's going to continue to be getting bigger and bigger, if you just look at the size of the population in Asia Pacific and the size of the growing middle class.

Importantly in the quarter, I would say that, in spite of some internal miscues on our part and issues in some markets and in spite of some disruptive externals like political issues in certain markets, economic chaos, and actually, the dramatic weather challenges we saw in our European businesses, these externals, obviously, we can't do anything about, but we were still able to deliver a 6% sales increase in the quarter. What that really speaking to is the power and the flexibility and leverage of our business model. Also, it's coupled with the fact that we are an and story. We're emerging markets and established markets. We have strong businesses in each and strong operating margins. Also, it speaks to Tupperware Brands is a brand and a channel and both of these contribute. It means that all of our business units don't need to hit an all cylinders to deliver our outlook.

We operate in 80 countries and there's a lot of noise in the world and frankly, we believe -- I've said to those in individual meetings, I've had one year of my business life where all markets hit. We're always going to have some issues with the diversity of our markets around the world and the internal and external forces. But what really gives me confidence that we will continue to grow and make our outlook going forward is firstly, the strength of our global management team and second, our expertise with the direct selling fundamentals. Regarding our management teams, these managers, they're run by local teams in every single market, and they spend the bulk of their time in the field with their sales force. What that gives us is daily interaction. We know what's working. We know what's not.

We can turn the levers and it also gives us immediate exposure to the consumer. However, I've repeated this -- we are not perfect. This business is a bit of art and a bit of science. Just because we know what to do and should know what's causing an issue, we don't always get it and we don't always get it quick enough or put the right actions in place. But I am pleased to say we're getting better at that, which is why, over the past six or seven years, we've always been making our numbers and we're working to get better at it. On slide 5, we talk about the importance of being a brand and a channel of distribution. Tupperware's brands have premium positions.

Clearly, everybody knows Tupperware and people aspire to have that product. However, most of the other brands have the same power and positioning in their respective markets. Equally important is our channel. We've got 2.8 million sellers. Our sales force makes money from their sales and the sales teams that they manage. Now our job is very clear, not only at corporate, but also in country management -- it's simply to train and support our sales force by getting them the right product, by providing them a compelling earning opportunity, and also, by training and motivating them to really go higher in the business. That's what Paola and I are here doing in [Salvador Bahia] with this [Super Seminaria].

Ours is very clearly a push business and unlike retail, we don't have to wait for the customer to come in the door. Our sales force goes directly to the end user and her customer, importantly, is usually her mother, her sister, her neighbors, and her friends. Each of these people lead us to new friends and that's why you can track a 25-year Tupperware sales consultant and you say, well, who did she go see? Her friends lead her to new friends who lead her to new friends, so it's always a friend dealing with a friend. Our system, if you actually wanted to call it by what it should be called, it's really not direct selling, it's a relationship selling method where friends recommend products to other friends and therefore, we don't need to advertise and that's good news, also, because latest studies show people don't believe 78% of all ads. That money is redeployed to the sales force. This relationship selling method really works.

We also, importantly, don't have to pay retail rent and that is the big plus of our value chain -- no advertising, no retail rent. We redeploy that money for opportunity for sales force. The sales force members, they earn the money to support their families. Importantly, too, in emerging markets, this matters. In many of these, less than 30% of women work outside the home, so it's very important. Let me turn to slide 6. Another area I want to take a few minutes to talk about is our sales force size and active sales force numbers.

I'm going to make just a few comments. We've got, I think, a very well-detailed chart there and in a moment, Mike may drill down further. We can handle other questions you may have in our Q&A session. I do want to preface it by this -- I want you to keep in mind that not all sales force numbers are equal and let me explain. It's driven mostly by the per capita income right down to the personal per capita income in different countries and

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it's also driven by different cultures. For example, in Belgium, it's mostly a party business. Mostly 96% of the sales there are parties and a demonstrator's party will average in Belgium $800.

But if I turned you now to many of our markets like India, the average business there is mostly one-on-one sales and her sale to a customer can be $20 or less. At any rate, the top line, the decrease in the total sales force for this quarter was primarily driven by three emerging markets -- India, Tupperware, South Africa and Fuller, and between these units, they have a sales force of over 700,000. In one established market, BeautiControl, their sales force is around 70,000. This is the net explanation of, how can you have a 6% sales increase when you, in fact, [curred] your sales members on the top line? I think, importantly, on that slide 6, you see the real understanding, the 2 point impact from Q3 change in the US and Canadian business. In the past, we measured their business on a monthly basis, as far as activity. Now, we've gone to a weekly business.

We've also, as you can see, the positive 6 point impact from mix shifts, primarily toward Europe, that has higher than average order size and away from Fuller Mexico, this which is really a lower net per unit item and the positive 3 point impact from the productivity increase, really, where you see price increases in South America, the switch and by the way, this is intended in Argentina, more of our sales force there are selling higher net per unit Tupperware products. Also, you're seeing improved productivity in Asia; most significantly in China and in Indonesia. I've got to say, while we're not satisfied with our total sales force being even with last year, our active sales force that, once you peel back the layers, you can see that many areas are strengths. We remain focused on increasing this big focus at headquarters and in markets all over the world to expand the sales force. Now, let me get into some of the markets in slide number 7. Let me review them on a geographic basis. Firstly, Europe, Africa, and the Middle East.

Let me start with a couple of their emerging markets. Turkey was up again; it was a standout with sales up 34%. Middle Eastern markets, I might add, while they're not big, we're in most of them and they continue to be strong double-digit increases. As a matter of fact, Q1, they were up 96%, Q2 88% and Q3 still 58%. Obviously, we're overcoming some very difficult externals; here we're talking mostly Egypt and Lebanon. But the businesses are doing well. Yet, some didn't perform well.

The emerging markets of Europe, Africa, Middle East in the quarter. Tupperware South Africa was down 11%. However, I want to get a little more granular there. Under the top line, we see some very positive strengthening. We have, beginning this year, really moved in with stricter standards for the sales force to remain active. We focused on growing new leadership levels. Probably the best news I've seen there is, we always wondered that in this low per capita GDP market, particularly with black South Africa, could we sell higher priced products?

We launched, in the third quarter, some very high priced products, including a more than $100 microgourmet steamer plus other high priced products and new colors there, very positively received. Qualitatively, the South African business is moving in the direction we want to see. Turning to some of the established markets of Europe, really, the results were mixed. On the plus side, Italy, which is kind of mid-sized, and the established markets of Portugal, Austria, Belgium, they were all up in the quarter and that's really good news. I'm particularly pleased to see this momentum continue in Italy. We've never had a great business in Italy. It's a large population.

They love our way of selling. It's a cooking culture there. We've got a dynamic leadership team in place. I'm expecting, in the future, when we talk about Europe and the dynamic big markets there to not only be talking about Germany and France, but including Italy in that group. Germany didn't perform well in the quarter and let me explain. Germany was down 20%. The year there, it was all about momentum, and the die was cast in January where there was a promotion that was not well-received.

We can do almost 50% of our sales in January in Germany and in many parts of Western Europe and it's kind of artificial. We work toward 100% activity and we call these really big weeks there, but it sets the tone because we recruit about half our sales force at parties. The promotions were not well-received. They came back with some fill-in promotions, but then the bad weather hit -- 18-year record snows in the first quarter, so they never got that momentum back. Then in the third quarter, they came up against the best promotion they've ever had in Germany in their history. We did an incredible coffee machine there in 2012, which broke all records. I am pleased to see that, under all of this, the trends that are getting better and that's the precursor is recruiting.

Recruiting was off about 25% in Germany the first half of this year. This turned positive. It was up modestly in the third quarter and double-digit in October, so I would believe that you're going to see sequential improvement in Germany moving forward. But what we really lost was the new

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sales force members that add so much energy to the business. I would say in closing on Germany, we have got a very strong management team there, perhaps the best group of regionals that we have anywhere in the world and I have a lot of confidence that we'll reverse this trend. We still make a lot of money and have substantial operating margins.

Let me turn to France. They were down 13% in the quarter. I might add they had a good first half of the year. As of July, they were up 7% year-to-date. Two real things affected them. It's a sensitive market with regard to externals. You'll remember several years ago what happened with regard to the malaise when there was the election.

There's a new personal income tax announced by the government in July and August and it had negative impact on consumer sentiment. It, also, having such bad weather conditions, they had basically the worst winter, then no spring. We just didn't see sales force come back to action in September like we're used to seeing. The net of it is, I don't see any fundamental changes need to happen in our French business, nor in our German business. I believe both of these are short-term issues. Let me turn to Asia Pacific. They're two pieces, the established markets are very small there.

The Japanese and Australian businesses were down modestly 2%. The emerging markets there comprise over 80% of our sales in Asia Pacific. Let me drill down on those. Indonesia continued with its strong performance; it was up 31%. Here, we're dealing with some difficult externals that you've probably been reading about. We've got a great sales force size advantage of 25% and very strong productivity. I might add, I'm headed there Friday.

We just did, as we did in Mexico two years ago, we went there with an NGO, the global fairness initiative this spring and they did a massive study throughout the three mayor islands of Indonesia to see the impact of being involved in Tupperware. We're going to report those findings next week to the press and the government, but let me give you a top line -- 99% of the women said the Tupperware environment changed her life, 81% said the money changed how her family lives. Now they have a car, many are getting houses. It changed her self-image. Now she has confidence. It improved her family relationships, beginning with her husband. Remember, this is the largest Muslim population of the world and he likes the business because she's working mostly with women in the business.

Even down to the point 57% said being involved in Tupperware not only provided her the income where she could help others, but her attitude with regard to social responsibility. This is what why governments really like us. Indonesia continued to do well. China was also up in the quarter double-digits; 20% for the third consecutive quarter. I might add, too, about one-third of our business is in the water-related product area and we've learned there that we can sell high priced products. As a matter of fact, the hottest selling product, as far as pricing, is a water filter that sells for more than $1,000. The opportunity to demonstrate that product really pays off.

I might add, for those who are reading all about China's slowing down, I would remind you there was a great BBC broadcast this last month that even talked about some of the facts. They're selling 2,500 cars per hour in China, so even China growing at 7% is dynamic. Malaysia Singapore, up double-digit in the quarter. We were pleased with that because we had a tough second quarter, as we heard a lot of noise in that market with regard to elections and there were some major air quality issues. India was up 3% in the quarter. This was a deceleration trend. We were disappointed with that.

We're working with our distributors to help them navigate through this tougher external environment. You might know that they've had a significant devaluation during the year and that's hurt purchase power, so we have simply got to get a bigger positive side with regard to the plus advantage in our sales force. Overall, before I get off Asia Pacific, just again remember it's about 40% of the world's population and this is where the emerging middle class is going to come from. They're going to add about 1 billion to the middle class in the next seven years and the most important thing for us is they want brands. So I think it's a good road ahead for us. Let me go to Tupperware North America. I'm going to start with Mexico.

I was just there in Mexico last Friday. The business, our Mexican Tupperware business, is doing well and they've persevered through -- both coasts were hit with hurricanes in September and September happens to be the most important month for our businesses there in the quarter. That impacted us. It also is going to impact the first part of October, but I saw a couple thousand of the sales force members and I'll tell you, the business is in good shape. I like their new product programs. Attitudes are strong and we've got a sales force size advantage. We've just got to get it growing even more.

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In the US and Canada, sales were even with last year and importantly, there's, to understand our strategy, net-net we're not going to discount and buy sales. We're really moving toward a more qualitative business there and driving it moving our people more to, as you can see, we went from not only weekly or monthly checking on activity, but now weekly. We're focusing on fewer products and on demonstrating the products and the sales leadership is strong and growing and it's a good indicator that the underlying organization is stabilizing. I feel good about the future of those businesses. The beauty segments in North America have been troubling, though. Fuller down 11% in the quarter; 2 points of that we know is directly related to the hurricanes. However, under that we've got a negative sales force size advantage.

We've got competitors there who, in the last quarter, we saw they were discounting their products as much as 80% and we're not going to play that game. The emerging middle class wants brands. We're moving more from our lower price color more to skin care, more to fragrance, and we're also focusing more on field sales force managers. We've got a gap in the size there. We're trying to improve retention and productivity and the longevity of the sales force. I think we've got the right programs in place. We've just got to keep executing and we've just got to stay the course and not buy sales.

I might add, too, I'll be there later this next month, but we've got an incredible management team there. The head of our Fuller business there was previously the head of our Tupperware Mexican business and he led it to dynamic double-digit increases. In his previous part of his career he was the CFO of the Fuller business. We've got a seasoned dynamic management team there. Now, South America, just a couple points -- up 38% in the quarter, Brazil was really the standout, up 36%. I'm going to, in a minute, after Mike, I'm going to turn it over to Paola so you can hear it right from her because she's the one who built this business. Venezuela is up 63%; a large part of that, though, however, was inflation.

I might add, in Brazil, with this dynamic increase, I think, Paola, we talked, it's only 6.5% or so inflation, so that's mostly real business. Argentina up almost 40%. When we did the acquisition from Sara Lee, this was originally a beauty business and we started shifting more towards not only beauty, but Tupperware products as well. We continued to see the mix shift and productivity improvements and a lot of good things are happening in that Argentine business. I might tell you, [Patina] and her term, we've got a great management team there in place as well. At any rate, some of the business down here, particularly Venezuela, was driven by inflation, but even if I took inflation out, we're still up somewhere in the mid-20s real in Latin America. Mike, let me turn it over to you, and then we'll hear from Paola.

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

Okay. Thanks, Rick. Turning to slide 9 and looking a little bit underneath our 6% local currency sales increase in the quarter, which again, was at the midpoint of our range, our main growers were Brazil, Indonesia, and Venezuela. But beyond that, we also had good sales contributions from Argentina, China, and Malaysia Singapore. Our larger decreases, as Rick has talked about, were at BeautiControl, Tupperware Germany, and Fuller Mexico. In terms of up sides and down sides on sales versus the high end of our July guidance, we were better in Brazil and Venezuela, some of the same names, and then worse in India, France, Germany, and Fuller Mexico. Looking at our diluted EPS without items, the dollars that we earned in the third quarter, our range was $0.99 to $1.04. As Rick mentioned, the FX, the impact that we had on the comparison came in at $0.09, which was $0.04 worse than what was included in our guidance based on the rates in July.

Excluding this FX impact, we were at the high end of our EPS range without items, even with being at the midpoint on sales. At the segment level, we were better than we had baked into our outlook in South America and that was balanced by lower performance in Europe and Asia versus what we had included. There was a $0.02 benefit versus our guidance from taxes, as our rate without items came in at 23% even versus 24.7% in our outlook. Our EPS ex-items up was $0.05 versus last year in the third quarter in dollars and $0.14 in local currency, or 16%. In terms of our contribution margin, then, at the segment level, we were up 22% from the higher sales coming through and that was after a 5 point hit from pension settlements, primarily in Asia. At the pretax profit line without items, we had a 14% contribution margin. That also included that pension hit, as well as 6 points from higher interest and that came from the termed out notes that we sold in March, the long-term notes, as well as a higher level of debt to execute on our new leverage target 1.75 times that we announced in January.

That gave us a pretax profit ROS in the quarter of 11.3% without items; 20 basis points above last year in local currency. That was already after a 30 basis point drag from the higher interest, but then there was a 70 basis point drag from translation FX that brought the comparison in dollars versus last year to minus 50 basis points. Rick mentioned that, as we had planned, we did purchase $100 million worth of shares in the open market. That brought in 1.2 million shares at an average cost of $82.83 each. Along with our repurchases from the previous three quarters, our lower shares gave

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us a $0.07 in the quarter versus last year or half of our $0.14 increase in local currency versus 2012. Turning then to slide 10 and looking at our outlook, on sales, we're calling the fourth quarter at plus 5% to 7% in local currency and that gives us 6% to 7% up in local currency for the full year. Both of those are no change versus where we were in July.

At the high end of that range, then, the two-year stacked local currency increase in the fourth quarter would be 13%. That would be up 1 percentage point versus the third quarter and at the low end, we'd be 1 point lower in terms of trend. At the midpoint, we're on the same trend we have been. Our fourth quarter EPS excluding items is at $1.83 to $1.88 and at the high end, that's up $0.17 or 10% in dollars and $0.23 in local currency, which is 14%. For the full year, that would take us to $5.45 to $5.50. That's $0.04 lower than at the high end in our July guidance, which is all FX, as we're now at minus $0.19 versus minus $0.15 in July. That would give us a pretax ROS ex-items of 14.3%; that's up 35 basis points versus 2012 in local currency.

The hit from the higher interest on the full year is 20 basis points, so that's already in that 35 basis point improvement in local currency. Then there's a 20 basis point hit from translation FX, so leaving us up 15 basis points in dollars. In terms of the impact from shares on the full year, at the high end of our range, we're up $0.70 in local currency and $0.33 of that comes from shares, which would be 7 points of the [15%] increase that gets us. For some of the other details in the outlook, there's been no change in unallocated corporate expenses. We still see $66 million there or in net interest expense, we see $38 million there. Again, the same versus what we said in July. For the tax rate, we have flowed through the $1 million benefit versus our outlook in the third quarter, which gives us now a full year rate without items of 24.2% versus 24.5% in the July guidance.

Turning to slide 11, we now expect to repurchase $75 million worth of shares in the fourth quarter, which would bring the full year to [$375 million], that is [$25 million] less than where we were in July; really reflecting the FX impact on earnings, cash flow, and our Euro-denominated debts. For the four quarters ended September, we're at 1.93 times debt to EBITDA as we measured under our credit agreement and that is laid out on an attachment to our earnings release. That compares with our 1.75 times target, which we do expect to be at, at year end with the $75 million of repurchases. We'll give more specific guidance in January on 2014, but I will point out here that 2013 share repurchases include a catch up as we started the year at 1.34 times levered and we're going for this 1.75 times. The 0.4 turns increase during the year accounts for half of the 2013 share repurchases. I'll also point out that when we get into this more normal case in 2014, our repurchases will be heavily weighted to the end of the year, which is in line with our cash flow generation pattern and also taking into account that we pay dividends evenly through the year. You probably recall that our dividend target is 50% of our prior year diluted earnings per share without items.

The high range this year at $5.50 would imply a quarterly rate going forward of $0.69 and that would be an 11% increase from this year when we're paying $0.62 per quarter. Again, our Board normally resets our dividend level in conjunction with our fourth quarter earnings release in January. Another item that I'd like to point out is that in the third quarter, we made the decision to reclassify our Fuller trade name intangible asset to definite light. It had been classified as indefinite light. This decision stems from what we've done over time to change the company name in the Philippines and Argentina to Tupperware Brands from Fuller and importantly, our expectation to migrate over time to the Armand Dupree name in Mexico. This decision will result in about $10 million per year of non-cash amortization and it began, actually, in the third quarter with about $1 million and the fourth quarter guidance now includes close to $3 million. This is a quote-unquote item that we'll talk about consistent with how we have in the past with purchase accounting amortization.

Looking at slide 12, then, on the balance sheet and cash flow, as Rick mentioned, we had a good quarter. Our cash from operating activity net of investing activities was $92 million year-to-date and that's $21 million better than where we were last year at this time. Our full year capital spending outlook is now $70 million to $75 million. That's down $5 million at the high end from where we were in July and our full year cash flow outlook on this measure is $240 million to $250 million; also down $5 million, which is related, again, to the weaker FX rates and how that impacts our numbers. For one thing, our cash flow is more heavily weighted to the end of the year than our earnings. Then finally an update on resin, there hasn't been too much movement.

We continue to expect to have $180 million flow through cost of sales from resins that we purchased in 2013. That's no change from July. The look at the negative impact on the cost of the resin flowing through our numbers is now $6 million in local currency versus 2012. That's $1 million worse than our outlook in July and that's built into our guidance. With that, I'm going to turn the call back over to Rick.

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Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Mike, good job. Thank you very much. As I mentioned at the beginning of the call, I'm in Brazil and before we go into Q&A, as we've done in the past when I'm in these markets, I want to introduce you to our President of our Brazilian business. I've said that the real strength of the Company starts with the strength of our leadership team, because all a company really is at the end of the day is a collection of people. Paola Kiwi will give you some insights on what's driving our business here. She's been with the Company 14 years, 12 years here in Brazil, and she's been running this company for eight years.

I might add that this dynamic young woman, like many of our country presidents in MD, started in finance. We say finance with great leadership skills. Paola is Chilean. She was educated in Santiago and in Tel Aviv and among other experiences, she served two years in the Israeli defense forces, so she's not only a warrior, she's a great leader. Paola, if you'll take it.

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

Thank you, Rick. This is going to be a very quick business overview for Brazil. On slide 14, we've listed some facts about Brazil and in particular, the business model that we use. Brazil has a population of almost 200 million. We look at our continued opportunity in terms of households. Of the approximately 60 million households, just over 17 million or 29% of them are currently considered to be middle class. By 2020, the number of middle class households is expected to increase 5 million to 37%.

Before, people looked for basic products, but now people are looking for premium quality products and they especially like international brands like Tupperware, of course. In terms of our current penetration, it is still low, and this is absolutely a great opportunity for us. As we look at the business, we see opportunities in additional geographic expansion, as well as additional penetration in cities that we are already in. We have around 200,000 (inaudible) sales force members; a large sales force with a varying level of productivity. The majority are part-time. Our selling method is currently mainly one to one selling to her friends, neighbors and relatives, but as we continue to train for the party, that is the best way to demonstrate our product, we see additional productivity opportunity. We have independent distributors which recruit, train, and motivate the sales force, but one unique difference is that we have two types of this distributors -- mega distributors and commissionists.

I'll talk a little bit about them in a few minutes. On slide 15, I want to give you an idea of our structure. Our sales office is in Sao Paolo and our plant is in Rio de Janeiro. It's about six hours driving between them. We have 58 distributors, 20 of them are mega distributors, 118 team leaders, and around 8,000 sales force unit managers. Going to slide 16, as I mentioned, one of the keys to our success is that by creating two types of distributors, we were able to split their responsibilities and activities. In one hand, we have the overall business, including product demonstration, and in the other hand, the commission distributors, they only focus on self-development. On slide 17, you can see some picture of what a commissioned distributor looks like.

They have a training area and an office, usually it is small. Here, they conduct weekly sales forces meeting and train the sales force. Their main focus is leadership development. They do not manage inventory or orders or orders. On slide 18, there are pictures of a mega distributorship. As you can see, the area for their sales force is bigger, basically for training and weekly meetings. Usually, they have bigger spaces because they are responsible for collecting and fulfilling orders and some of them hold some inventory as well.

They are responsible for accepting and fulfilling orders for their sales force and also for the members of the sales force that are (inaudible) commissioned distributors. By dividing the administration on the self-development task, that allows us to grow at a much faster growth, at a much faster pace. While both type of distributors have offices and spaces, since the mega distributor provides administrative services, the commission distributors have much lower fixed costs and are able to (inaudible) sooner. This way, they remain focused on developing the sales force leadership, which in turn continues to grow the business; 36% full year 2012 and year-to-date 2013 over 30%. Rick, I'll turn it back to you.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thank you, Paola. By way, I might add to that, if on slide 18 you see that picture of mega distributors, that's an example of what can happen. That woman started in the business more than 20 years ago. Like every distributor, started as a demonstrator, then she became a manager and eventually

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a distributor. You may have demonstrators at the very entry level who join the business to make an extra $100 or $200 a week. As they become distributors, you can get a distributor in Brazil makes six figures in US dollars per year and a mega distributor, you see in that slide 18, more than $1 million a year.

I've been here 21 years and to watch that distributor, Andrea, grow, it is like watching a flower open, but next week I get to see it in Indonesia. At the core of it, we're a multi-local business. This is how it works. Mike, I'll tun it turn it over to you. Keep the mic open on that end. We'll do Q&A.

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

Yep. Cassandra?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Olivia Tong, Bank of America Merrill Lynch.

Olivia Tong - *BofA Merrill Lynch - Analyst*

I think I started with a similar question last quarter, primarily around the sales force, but can you give us a sense of what you're doing to improve the active sales force numbers? I understand there's a lot of puts and takes and that some sales force numbers are better than others, productivity improved, which is all great, but at the end of the day you need to grow your actives to keep that sales momentum going. Can you talk us through what's going to drive that?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, Olivia, and Mike you can back up with anything else, Olivia, last week importantly, I had -- we created a team called 20/20 of our strongest 20 leaders. Paola was, in fact, in that room and we're going to be meeting, but our whole focus was how do we get this Company to $5 billion in sales? Relevant to your question, it is all has to do with the growth of the size of the sales force and too many people spend all their time just talking about recruiting. There's really the concept of getting them in the business, the whole recruiting, think of a funnel, then the onboarding process, and then the retention process. We've always worked hard at these, but we've got to find even new and better ways to do it. I'll give you an example. The recruiting, we've always been good at that, but it's the onboarding, keeping them, or getting them in, she usually, when she quits the Tupperware business, she quits because either she didn't have a pleasing experience or a pleasing result.

Either I didn't like it or I didn't make any money or thirdly, something happened in her life. Very interesting, many of the people that we recruit, let me qualify that, in some markets it's about 20%, were people who already were in Tupperware, but things changed in her life, but she likes Tupperware. She likes the brand of Tupperware. But let me get into the onboarding process. We don't need to work on how do we recruit. We need to get better at onboarding and retention. The onboarding, one of the things we've just launched, we've worked on it for more than a year, most of the people in the US and many in Europe have learned a foreign language, they went to an intensive course like Berlitz; that's how I got Spanish and German.

However, one of the most successful new programs is Rosetta Stone. What Rosetta Stone does is, is it builds off that because it's interactive. Let me relate it to the Tupperware business -- we bring them aboard and she's got to come to training; that's a class, that's face to face. She's given a unit manager as her success coach. That's important, but this new group that we're recruiting, the millennials, and I've seen this from -- I've been

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on a university Board for 20 years, how they want to get information is more and more they want to back it up online. We launch, we worked on it for a long time. We launched it in Germany.

It's called iTup, so that as you start, Olivia, you go to the training class. You have a unit manager who works with you, who goes to your first party with you, but you, then, can go to iTup, and it carries you along on -- you can learn more about the products. You can learn how to do a memory jogger, a list on who your friend and neighbors and relatives are, how to get started. You can learn how to answer questions when consumers ask those questions. They've put together five modules, and I must say, we've been tracking those and we shared it with our group last week. It's astounding, six times the level of sales from an individual who went through the iTup program.

Now, we're going to modify this for the rest of the world and launch it. We haven't even launched that here in Brazil and look at the great results we're getting. The last piece, is the retention piece of it and there's an old saying that relationships equal retention. Too long a subject to discuss on this call, but there's a whole series of elements that we're including that include the retention. But, Olivia, you started with the most important question in our entire industry, size of sales force.

Olivia Tong - *BofA Merrill Lynch - Analyst*

If I can follow up on that, has there been a measurable change in terms of, if you could parse it out, between recruiting, onboarding, and retention? Is there a clear area where there's been a big dropoff? It sounds like recruiting's been okay, but are people staying for a shorter time? Are they joining and then leaving quickly? Where is the delta versus where it has been in the past?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Olivia, very clearly, the issue has not been on the onboarding. We're getting better around the world on that. It's been the total recruiting numbers on there and it's got to be much more of a focus on -- they've got to get them in, because we're getting better at number two onboarding and retention. I might add, I'll give you an example, all over Asia, they've been the best. Launched firstly, they've got a strategy blueprint there that if you're a distributor in Indonesia, there are five different kinds of meetings that you must hold every single week in your ship. Now if you're a sales consultant, you don't have to go to all five, but it's so much more engagement. The very key piece that causes someone to stay longer, as I said, is relationships and the key piece of relationship is contact.

This has been our issue in our US business. They got away from weekly meetings in the US about 10 years ago and [Synova] is getting them focused on this, so I feel very good about that. Now we've got to get the top end of that funnel getting these people in and then converting them. But I think we've got the strategy down. As a matter of fact, we put down, with regard of how to get to $5 billion, what do we need to change with regard to our business model? Outstanding products and unique products, the way we sell, the career path, and direct selling fundamentals, and we basically put it up there, what do we retain, refine or radically alter? We got tremendous endorsement from our 20 youngest, brightest, let's say the path we just need -- most of our things are really refining and it's not radically altering it, but it's all in this area of expansion of the sales force.

Olivia Tong - *BofA Merrill Lynch - Analyst*

Got it. I'm still a little bit confused as to whether the issue is more a function of the recruiting, onboarding, or the retention portion because it sounds like you touched a little bit on all three of them.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, because they all three -- and we can talk offline on that, but where we've got more time.

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Olivia Tong - *BofA Merrill Lynch - Analyst*

Okay. Maybe I'll follow up afterwards. You touched on Indonesia and I wanted to talk a little bit about Asia Pac because it seems like your guidance seems to imply that Q4 growth rates are about in line with Q3. Given all the noise that we've heard from a macro perspective, why do you think you're not seeing more pressure at this point, given all the things that are going on?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

I think the counter levers are actually strong enough and I've in China in the last 90 days and Indonesia, and I'm seeing it driven by the amount of women that are really looking for an earning opportunity. Again, remembering that other than China, most of these markets, less than 30% of women outside the home, women are being connected. They want a different kind of a life, so our expansion of the sales force is [counter to that]. Indonesia is a classic example. Our size of our sales force is up about 25%. Size of the business is up just a little north of 30%. That is countering what's going on there. I think the second thing is our management team there, from a product standpoint, has been very responsive with the offerings that match what's going on in the market and what the needs of consumers are.

Olivia Tong - *BofA Merrill Lynch - Analyst*

Got it. Lastly, can you parse out the South American organic sales growth a little bit? How much is pricing versus volume? I assume that the Venezuelan number assumes a fair bit of pricing in a market that has price control, so can you just give a little bit more color on that? Thank you.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Brazil, our dominant one, it's really unit. It's growth of the business. Inflation's only here at 6.5%. It's higher inflation down in Argentina. We think the real inflation rate, while the government talks about it only being about 11%, we think it's just on the north side of 20%. But our business is up better than that and Venezuela is mostly, but we're holding our own in Venezuela. We have real growth in our businesses down here.

Olivia Tong - *BofA Merrill Lynch - Analyst*

Got it. Thank you.

Operator

Leigh Ferst, Wellington Shields.

Leigh Ferst - *Wellington Shields - Analyst*

Thanks for the presentation on Brazil. Could you give us a little more on your outlook in terms of your target growth rate for sales and sales force and also, how many cities you expect to move into?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Paola why don't you comment on that? How many cities are we in, in Brazil?

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

Right now, our penetration is around 25% of the entire country.

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Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, yes.

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

Brazil has about 5,000 cities, so more small cities. We probably are around 80% of that, so we should improve that.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

A lot of growth left here and I'll tell you, I mean, your average CAGR has been north of 30% for --

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

Seven years.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

For seven years. When we have this kind of runway ahead and there's so many women thirsty for this opportunity and that's what we really do here, put together this multi-local structure so that -- and it even comes down to, do you want to start as a demonstrator, okay, here's what it is. I always kid in our seminars that most restaurants fail in five years, but most McDonald's don't because it's a formula. I've kidded about Muhammad Yunus got the Nobel peace prize for microfinancing. We're waiting for ours because we micro finance her, then we send her to a training class. She didn't get charged for it. Most of all of your people go to training. Explain how that works when she comes on, what does she pay for a kit?

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

She doesn't pay anything because she need to do a party or her unit manager does a party and then because of that party, she receives a kit with that commission.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Rather than the commission, yes, she clears a kit.

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

That's how she starts. Once she becomes successful she can become a top seller or unit manager.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

What can she make as a unit manager?

Paola Kiwi - *Tupperware Brands Corporation - President - Tupperware Brazil*

Around $2,000 per month on average, which can be equal to a lawyer, an average one with five years of school. It's a very good income for her.

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Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

It's early days here in this country. I would tell you, if I said back of an envelope, I'd say I would be disappointed if we can't continue this kind of a run rate for the next three years or so. Then you keep lapping, and then you're getting -- I mean we're, it's a big business here now and very profitable, then you start to see you're lapping 30%-some. Then you start to say, 25% that's not a bad number off a big number.

Leigh Ferst - *Wellington Shields - Analyst*

Thank you. You had featured India last year and obviously there's a lot of macroeconomic factors there. Could you cite what hurt your business, mostly in terms of the slowdown besides currency?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, the currency really had an impact, but it led to, also, with the size of our sales force, we lost some of our advantage. We do party business there and we do one-on-one selling, but you really started to see a smaller sales force. Mike, would you add on that?

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

We did see consumer spending pressure, which I think is related to inflation, including, chicken and egg, but the fact that the currency is devalued and so that consumer spending power is hurt. We've also seen, over the last few quarters, that we've had less traction in the south part of the country, which is our largest share of our business. We really worked and continue to work with our distributors and team leaders, the top end of the sales force there, to be able to have a better structure for how they're approaching the recruiting and importantly, also their training of people as they come on and the first level managers. Because that's really our engine in all of our businesses is getting people to that first level where they do a lot of the recruiting.

Leigh Ferst - *Wellington Shields - Analyst*

Thank you. In France and Germany, you said that a lot of these issues are short-term and obviously, some of them are extraneous. But if the volatility continues, what kind of contingency planning do you have in place to manage it?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

The contingency planning is by distributorship. It's different things in different ships. If I had to poke one word with regard to our German business is counter the momentum. What we've had is, what we lost in the first part of January, was we lost momentum. You remember, we had a great year in our German business last year and it's a very good business.

We've got to get this momentum shifted back again. The kind of contingency we actually dropped in, and basically if I can be critical of one thing, I believe we should have dropped it in sooner. It was you get out there and you have all hands on deck out there to reverse that momentum being out there in the field with the sales force. Even if weather was bad, you've got to pick it up where you are and get out there and recruit, train, and motivate a sales force. There's a plan in place. It's been implemented, but I think it should have been implemented two quarters ago.

Leigh Ferst - *Wellington Shields - Analyst*

Thank you.

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Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, it's clearly working because we saw what our recruiting was thus far in October. We saw an extreme change in the recruiting pattern in the second quarter versus the third quarter, where we were down double-digit in recruiting the second quarter. It started to be positive in the third quarter, it showed some of the action started to take place. I think they should have been implemented earlier and that's where I say we're good, but we're not perfect.

Leigh Ferst - *Wellington Shields - Analyst*

Thanks.

Operator

Dara Mohsenian, Morgan Stanley.

Dara Mohsenian - *Morgan Stanley - Analyst*

Mike, over the last couple of quarters on a local currency basis, you haven't been experiencing as much incremental margin expansion as you have in prior years, even if you exclude resin. Why is that? As we think about margins going forward, should we expect you to move back up to that longer term trend in terms of incremental margins or is there investment behind the business or other impacts that could linger here and limit the margin expansion?

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

Yes, Dara, we do expect to continue to be able to grow our margin in local currency. You've heard us talk about, before, that on average for our Company, we see around a 40% initial contribution margin from higher sales. We do think we'll continue to see that, but then continue to invest a portion of it to net out at a 50 basis points or so improvement per year. What we've been seeing, yes, we've got the incremental interest expense. This particular quarter we had this pension settlement and that pension settlement charge, which hit us for a little bit, so clearly, there's some places where we can do a little better, but we do think that our basic approach will continue to work.

Dara Mohsenian - *Morgan Stanley - Analyst*

Okay. Rick, your local currency sales growth guidance for Q4 is 5% to 7% and the full year is towards the lower end of your long-term target. As you look out the next year with some of the momentum in emerging markets, are you comfortable you can return back to the long-term target range or do you think some of the near-term pressure points from this year could continue to limit growth versus your long-term target?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Dara, we just had management sign and Mike had -- while I was holding these other meetings on growth to get to $5 billion, they were starting the early meetings on profit plan for this next year. I don't know where they are on that, but our initial discussions are returning to that level. The issue wasn't on a lot of our emerging markets growing, the issue was some of these weak markets and the drag that they've been. I'll tell you, I hope -- I know nobody's asked a question about BeautiControl, but we just put in one of our best young dynamic leaders, Nicola, who ran our Nutrimetics business, we put Nicola in there and he's only been there a week and a half. He's in his 30s, dynamic. I'm expecting improvement in our BeautiControl business in 2014. That will have a positive on it.

I want to start to see, with regard to our Fuller business, and that'll be an important delta for us. Certainly, the plans are in place. We're not in search of what to do there. We've seen the improvements start to happen on our Japanese business. We put in the things in place in our South African

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business. Dara, that's kind of the example of -- in none of the markets that have really been the drag on causing the top line growth are we in search of what do we do? Now it's a question of execution of it.

In Mexico, is the only the Fuller that I'm -- I don't know how long it's going to take there, because we're not going to play the discount game there. We're going to, as Mike mentioned, we're moving more towards Armand Dupree. That's the long-term win. If you look at what's happened here in Brazil in the big competitors in the beauty business, the way to win is have a brand name that people really respect. We don't control what the competition does, so it could take us some time in Mexico, but we're going to stay the course because we've got a good and profitable business there. I wish I could give you more texture on it, but I'll know more as we finish this fourth quarter.

Dara Mohsenian - *Morgan Stanley - Analyst*

Okay. That's helpful. Thank you.

Operator

Mike Swartz, SunTrust.

Mike Swartz - *SunTrust Robinson Humphrey - Analyst*

Maybe I'll just touch on Fuller for a bit. Just two questions -- could you maybe flush out -- somewhere I think you had a footnote and Rick you even touched on it in the preamble, about some unfulfilled field manager positions? Could you kind of walk us through what that's about and what's going on there?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

In our Fuller -- if I understand you correctly, Mike, you meant with the Fuller business in Mexico, correct?

Mike Swartz - *SunTrust Robinson Humphrey - Analyst*

Correct, Rick.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Yes, we've got a level called field sales manager there that really, she's responsible for managing locally the sales force. We are short a couple hundred there. Now, we could fill this real quickly, but it would be counterproductive to what we're trying to do is to reduce the turnover. We're trying to get in better, compensate them better, but also have standards in place. We made the changes with regard to increased compensation.

We made the changes with regard to the standards and we made the changes with regard to the new training that she was getting. It's just now taking us time to -- we're still going through turning over some of the ones we have. As we fill the new slots, we're not filling them fast enough to take care of the ones that we had to get rid of, so we're going through this transition right now. Hopefully, we can be through this by mid-2014. But it's kind of -- we're doing two things at one time and one's causing the other problem, but they're the right things to do.

Mike Swartz - *SunTrust Robinson Humphrey - Analyst*

Okay. Great. Sticking with Fuller Mexico, I think you had called out some heightened promotion going on there with one of your competitors. Is that something that ended in the third quarter or is that something that's continuing into October?

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Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

I heard it got worse, that they're doing more of that. If you effectively give your sales force member X commission and then you give a discount on the X commission, it gets to -- we saw that with a number of products, it was as much as 80%. We're waiting to see what kind of effect that has, but we're not going to play that game. It's an end game that will really hurt, particularly, the emerging middle class. It hurts brand building. I never will forget and I've mentioned this in the past, but you go by a Louis Vuitton or Hermes and when's the last time you ever saw a sales window there? I never will forget going in one day, there was a line out front and I walked inside and I said, are you guys having a sale?

The manager proudly says, sir, we burn it before we put it on sale. The only way we're going to get this Fuller brand to be a brand that is highly regarded is we've got to move away from all this discount merchandising. You could do what Lauder does and Lancome, a gift with purchase, a purchase with purchase, but not a flat out discount with it. Because beauty is an aspirational category and when you discount something aspirational, then it's not aspirational anymore, so it's counterproductive. I can't control what competition does, but we can control us staying the course.

Mike Swartz - *SunTrust Robinson Humphrey - Analyst*

Great. Thanks Rick.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

It's really interesting on that question, but philosophically and strategically, all of those of you in the US will understand this and I know intimately the senior management that this is why they made this decision. You've seen the introduction of the Lincoln Motorcar Company and they've spent a fortune on it over the last year in the US. They had a conundrum at Ford Motor Company that they didn't have a prestige level automobile to offer anymore. If you'll remember during the -- most of you won't remember, during the 50s and 60s the Lincoln Continental was the -- that's what went up against Cadillac. You've seen what a great job Cadillac has done with their image, that's who goes against Lexus, Mercedes, et cetera. What they found they had done is they had let the Lincoln line become the Town Car line and you're used to seeing that's who'd pick you up at the airport and they made the very difficult decision that we have got to separate this. We've got to create the Lincoln Motorcar Company, reestablish that image and we've got to get out of the Town Car business, even if it hurts initially.

They have and that's why a lot of limo drivers you'll see right now, they don't know what to do because they don't make Town Cars anymore. That's kind of the same philosophical positioning that we're going through in our Fuller business. We could stay in the Town Car business but we'd always be known as that. For us to really be the kind of brand that the emerging class in Mexico and Brazil wants, you don't want to be thought of as a discount brand. Forgive the long answer, but it was an important question.

Operator

Frank Camma, Sidoti.

Frank Camma - *Sidoti & Company - Analyst*

The $0.04 negative from FX, can you tell us the principal currencies that contributed to that negative?

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

Sure, yes, we saw that hit mainly coming from Indonesia. We also saw a little bit from the other Asian currencies and from Mexico.

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Frank Camma - *Sidoti & Company - Analyst*

Okay. The other question I have was just clarification. You had mentioned the dividend and can you just say that again? Was that based on approximately 50% payout? Is that correct?

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

Yes, we look at that, really, once a year and we do it on the prior year EPS of that item. So the high end of our range this year 2013 is $5.50 and what I was saying was, 50% of that $2.75 on a full year basis comes out to about $0.69 on a quarterly and we're doing $0.62 right now.

Frank Camma - *Sidoti & Company - Analyst*

Great. That's all I had. Thank you.

Operator

Connie Maneaty, BMO Capital Markets.

Connie Maneaty - *BMO Capital Markets - Analyst*

If the pressure on purchasing power in India hurt your results there, why won't inflation and higher interest rates do the same thing in Indonesia, despite the growing size of your sales force?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Firstly, Connie, we've been more effective at keeping the growth of our sales force ahead of all that wind in our face. They haven't been as effective in India, particularly in southern India. That's the number one issue. You've got to get a significant enough sales force size advantage, so the average net per unit that a sales force member may be lower, but you've got a bigger sales force and that counters it. Mike, would you add something?

Mike Poteshman - *Tupperware Brands Corporation - EVP, CFO*

I think that's right. From an execution point of view, in terms of what we've been able to do with that sales force, we've continued to be able to stay in front of the inflationary pressures, based on the timing of when we've done price increases, and position them effectively. More importantly, I think, combining everything we've done with social media and our ongoing programs, including the earning opportunities, we've been able to continue to move that mass of sellers. That's how it's all come together.

Connie Maneaty - *BMO Capital Markets - Analyst*

Okay. Great. I think earlier in the year, you said that you didn't expect the Indonesian growth rate, which I guess was like 35% last year or something around that, to continue this year, but it has. What was your outlook for 2013 for Indonesia sales and what's your preliminary outlook for 2014?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

I haven't been in those meetings with Mike as we're doing the 2014 and even if we knew what they were, we wouldn't express it at this time. We want to get through the fourth quarter. But let me characterize a big dip between our India and Indonesian business, frankly, I think, in our distributorships in Indonesia, you would think they were Swiss or German with regard to the standards and you will follow the rules of the business.

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They do a better job of that in Indonesia than our businesses have done in India. We've got talented distributors in both places, but the operating mentality within the distributorship in Indonesia is stronger with regard to following standards and therefore, they can hit a lever and be more responsive. They haven't had the same thing. It's not the same kind of a culture in India. We've just got to get better at it with our India business.

Connie Maneaty - *BMO Capital Markets - Analyst*

Okay. Is Tupperware, TUP 20/20, whatever you called it, the team 20/20 with sales at $5 billion, do you mean to say you're aiming for $5 billion in 2020?

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

No, 20/20 is more in terms of visionary; having 20/20 vision and you get your bright people in. We operate under the model that every successful business model works until it doesn't. You don't ever get to that point and so we dug back and peeled back a lot of stuff. We said what's working like we want it to work, where do we need to -- that's why I said, Connie, we put it, what do we need to retain, refine, and/or radically alter and so we don't lead this just from a group in Orlando. I'm sitting here, like I am with Paola, and we sit there and talk about what do we need to do? What are you seeing that I'm not seeing? Then we build off those things. The only decision we really have to make -- I think we've focused on the things we need to work on and where we're going to find this other $2 billion plus in sales and where it's going to come from, the decision we need to make is the execution and when the due date of the $5 billion is.

Connie Maneaty - *BMO Capital Markets - Analyst*

Okay. That's very helpful. Thanks.

Operator

Ladies and gentlemen, we've reached the allotted time for questions. I'll now turn the call back over to Rick.

Rick Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thank you very much. Anyway, thank you all very much. I want to reiterate one thing I said on the call is business models are critical. I think what has made Tupperware very successful is we've got a dynamic business model, but at the start of the whole thing, it's really the quality of our management team, and us, how we're managing, not only brands, but the push element of our business. I'm expecting this kind of growth is going to continue. I might call your attention -- I helped them some on it, but the Boston Consulting Group put out a wonderful piece called, Playing to Win in Emerging Markets and they did a lot of work on this and they just introduced it about a month ago. I'd get it because it really talks about the future and the real shift that American companies have got to stop thinking about that there's the US and then everything else is international.

It's a global marketplace out there and the US is -- it's a big consumer market, but it's only 5% of the world's population. The thing that really drives a business like ours is an individual looking to change her life and that's the push element and at the same time the consumer, the pull element of our business, she wants western brands. There's a lack of a retail infrastructure and she's finding an efficient way to buy products from a friend, neighbor, or relative. We're very much right for the times and that's why we even do well in Paris in our business and we've been there for more than 50 years. I have a lot of confidence that this business model will take this company to $5 billion sooner rather than later at some exciting operating margins. Anyway, thanks for your interest.

Operator

This concludes today's conference call. You may now disconnect.

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