BEMIS CO INC
Form 10-K
February 20, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 2014

Commission File Number 1-5277

BEMIS COMPANY, INC.
(Exact name of Registrant as specified in its charter)

Missouri	43-0178130
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Neenah Center, 4th Floor, P.O. Box 669, Neenah, Wisconsin 54957-0669
(Address of principal executive offices)

Registrant's telephone number, including area code: (920) 527-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $0.10 per share	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ý NO o

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES o NO ý

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

to submit and post such files). YES ý NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§232.405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

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

Large Accelerated Filer x	Accelerated Filer o
Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). YES o NO ý

The aggregate market value of the voting and non-voting common equity held by nonaffiliates of the Registrant on June 30, 2014, based on a closing price of $40.66 per share as reported on the New York Stock Exchange, was $4,061,047,083.

As of February 18, 2015, the Registrant had 97,464,764 shares of Common Stock issued and outstanding.

Documents Incorporated by Reference
Portions of the Proxy Statement - Annual Meeting of Shareholders May 7, 2015 - Part III

BEMIS COMPANY, INC. AND SUBSIDIARIES
ANNUAL REPORT ON FORM 10-K
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Forward-Looking Statements

This Annual Report contains certain estimates, predictions, and other “forward-looking statements” (as defined in the Private Securities Litigation Reform Act of 1995, and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements are generally identified with the words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “target,” “may,” “wil “project,” “should,” “continue,” or the negative thereof or other similar expressions, or discussion of future goals or aspirations, which are predictions of or indicate future events and trends and which do not relate to historical matters. Such statements are based on information available to management as of the time of such statements and relate to, among other things, expectations of the business environment in which we operate, projections of future performance (financial and otherwise), including those of acquired companies, perceived opportunities in the market and statements regarding our mission and vision. Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause actual results, performance, or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions caused by inflation, interest rates, consumer confidence, rates of unemployment and foreign currency exchange rates; global economic conditions, including continued uncertainties in Europe; investment performance of assets in our pension plans; competitive conditions within our markets, including the acceptance of our new and existing products; customer contract bidding activity; threats or challenges to our patented or proprietary technologies; raw materials: costs, availability and terms (particularly for polymer resins and adhesives); price changes for raw materials and our ability to pass these price changes on to our customers or otherwise manage commodity price fluctuation risks; unexpected energy surcharges; broad changes in customer order patterns; a failure in our information technology infrastructure or applications; changes in governmental regulation, especially in the areas of environmental, health and safety matters, fiscal incentives, and foreign investment; unexpected outcomes in our current and future administrative and litigation proceedings; unexpected outcomes in our current and future tax proceedings; changes in domestic and international tax laws; costs associated with the pursuit of business combinations or divestitures; unexpected costs associated with the integration of acquired businesses; unexpected costs and timing related to transition of production; changes in our labor relations; and the impact of changes in the world political environment including threatened or actual armed conflict. These and other risks, uncertainties, and assumptions identified from time to time in our filings with the Securities and Exchange Commission, including without limitation, those described under Item 1A "Risk Factors" of this Annual Report on Form 10-K and our quarterly reports on Form 10-Q, could cause actual future results to differ materially from those projected in the forward-looking statements. In addition, actual future results could differ materially from those projected in the forward-looking statement as a result of changes in the assumptions used in making such forward-looking statement.

PART I

ITEM 1 — BUSINESS

Bemis Company, Inc., a Missouri corporation (the “Registrant” or “Company”), continues a business formed in 1858. The Company was incorporated in 1885 as Bemis Bro. Bag Company with the name changed to Bemis Company, Inc. in 1965. The Company is a global manufacturer of packaging products. The Company's business activities are organized around its two reportable business segments, U.S. Packaging (66 percent of 2014 net sales) and Global Packaging (34 percent).

The majority of the Company’s products are sold to customers in the food industry. Other customers include companies in the following types of businesses: chemical, agribusiness, medical, pharmaceutical, personal care, electronics, automotive, construction, and other consumer goods. Further information about the Company’s operations in its business segments and geographic areas is available in Note 20 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

As of December 31, 2014, the Company had approximately 17,000 employees worldwide. Approximately 8,500 of these employees were in the U.S., with approximately 40 percent of hourly production employees covered by collective bargaining agreements involving four different unions. Of the approximately 8,500 employees who were outside the U.S., over half of the hourly production employees and some of the salaried workforce are covered by collective bargaining agreements and are represented by numerous unions.

Working capital fluctuates throughout the year in relation to business volume and other marketplace conditions. The Company maintains inventory levels that provide a reasonable balance between obtaining raw materials at favorable prices and maintaining adequate inventory levels to enable the Company to fulfill its commitment to promptly fill customer orders. Manufacturing backlogs are not a significant factor in the industries in which the Company operates. The business of each of the reportable segments is not seasonal to any significant extent.

The Company is the owner or licensee of a number of United States and foreign patents and patent applications that relate to certain of its products, manufacturing processes, and equipment. The Company also has a number of trademarks and trademark registrations in the United States and in foreign countries. The Company’s patents, licenses, and trademarks collectively provide a competitive advantage. However, the loss of any single patent or license alone would not have a material adverse effect on the Company’s results as a whole or those of any of its segments.

The Company’s business activities are organized around its two reportable business segments, U.S. Packaging and Global Packaging. Both internal and external reporting conform to this organizational structure. A summary of the Company’s business activities reported by its two reportable business segments follows.

U.S. Packaging Segment

The U.S. Packaging segment represents all food, consumer, and industrial products packaging-related manufacturing operations located in the United States. This segment manufactures multilayer polymer, blown and cast film structures to produce packaging sold for food and personal care product applications as well as non-food applications. Markets for these products include processed and fresh meat, dairy, liquids, frozen foods, cereals, snacks, cheese, coffee, condiments, candy, pet food, bakery, lawn and garden, tissue, fresh produce, personal care and hygiene, disposable diapers, and agribusiness.

Global Packaging Segment

The Global Packaging segment includes all packaging-related manufacturing operations located outside of the United States as well as global medical device and pharmaceutical packaging manufacturing operations. This segment manufactures multilayer polymer, blown and cast film structures to produce packaging sold for a variety of food,

medical, pharmaceutical, personal care, electronics, and industrial applications. Additional products include injection molded plastic and folding carton packaging. Markets for these products include processed and fresh meat, dairy, liquids, snacks, cheese, coffee, condiments, candy, bakery, tissue, fresh produce, personal care and hygiene, disposable diapers, agribusiness, pharmaceutical, and medical devices.

Marketing, Distribution, and Competition

While the Company's sales are made through a variety of distribution methods, substantially all sales are made by the Company's direct sales force. Sales offices and plants are located throughout North America, Latin America, Europe, and Asia-Pacific to provide prompt and economical service to thousands of customers. The Company's technically trained sales force is supported by product development engineers, design technicians, and a customer service organization.

No single customer accounts for ten percent or more of the Company's total sales. Nevertheless, business arrangements with certain large customers require a large portion of the manufacturing capacity at a few individual manufacturing sites. Any change in the business arrangement would typically occur over a period of time, which would allow for an orderly transition for both the Company's manufacturing site and the customer.

The major markets in which the Company sells its products are highly competitive. Areas of competition include service, innovation, quality, and price. This competition is significant as to both the size and the number of competing firms. Competitors include Amcor Limited, Berry Plastics Corporation, Bryce Corporation, Coveris High Performance Packaging, Printpack, Inc., Sealed Air Corporation, Sonoco Products Company, Wihuri OY, and Winpak Ltd.

The Company considers itself to be a significant participant in the markets in which it serves; however, due to the diversity of our business, the Company's precise competitive position in these markets is not reasonably determinable. Advertising is limited primarily to business and trade publications emphasizing the Company's product features and related technical capabilities.

Raw Materials

Polymer resins and films, paper, inks, adhesives, aluminum, and chemicals constitute the basic major raw materials. These are purchased from a variety of global industry sources and the Company is not dependent on any one supplier for its raw materials. While temporary industry-wide shortages of raw materials may occur, the Company expects to continue to successfully manage raw material supplies without significant supply interruptions. Currently, raw materials are readily available.

Research and Development Expense

Research and development expenditures were as follows:

(in millions)	2014	2013	2012
U.S. Packaging	$21.0	$23.2	$19.2
Global Packaging	16.7	15.1	15.1
Corporate	6.4	2.2	1.4
Total	$44.1	$40.5	$35.7

Environmental Control

Compliance with federal, state, and local laws, rules, and regulations which have been enacted or adopted regulating discharges of materials into the environment or otherwise relating to the protection of the environment, is not expected to have a material effect on the capital expenditures, earnings, or competitive position of the Company and its subsidiaries.

Available Information

The Company is a large accelerated filer (as defined in Exchange Act Rule 12b-2) and is also an electronic filer. Electronically filed reports (Forms 4, 8-K, 10-K, 10-Q, S-3, S-8, etc.) can be accessed at the Securities and Exchange Commission (SEC) website (http://www.sec.gov) or by visiting the SEC's Public Reference Room located at 100 F St., N.E., Washington, DC 20549 (call 1-202-551-8090 or 1-800-732-0330 for hours of operation). Electronically filed

and furnished reports can also be accessed through the Company's own website (http://www.bemis.com), under Investors/SEC Filings or by writing for free information, including SEC filings, to Investor Relations, Bemis Company, Inc., One Neenah Center, 4th Floor, P.O. Box 669, Neenah, Wisconsin 54957-0669, or calling (920) 527-5000. In addition, the Company's Board Committee charters, Principles of Corporate Governance, and the Company's Code of Conduct can be electronically accessed at the Company's website under About Us/Corporate Governance or, free of charge, by writing directly to the Company, Attention: Corporate Secretary. The Company will post any amendment to, or waiver from, a provision of the Code of Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer, and other persons performing similar functions on the Investor Relations section of its website (www.bemis.com) promptly following the date of such amendment or waiver.

Explanation of Terms Describing the Company’s Products

Aseptic packaging — Packaging used in a flash-heating process in which a food product and its packaging are sterilized separately and then combined and sealed under sterile conditions. This process retains more nutrients and uses less energy than conventional sterilization techniques and extends the shelf life of processed food without using preservatives.

Barrier products — Products that provide protection and extend the shelf life of the package contents. These products provide protection from oxygen, moisture, light, odor, or other environmental factors by combining different types of plastics and additives into a multilayered plastic package.

Cast film — A plastic film that is extruded through a straight slot die as a flat sheet during its manufacturing process.

Child resistance — Packaging materials and systems for drugs and household chemicals that are designed to be difficult for children to open.

Coextruded film — A blown or cast film extruded with multiple layers extruded simultaneously.

CSD labels — Carbonated soft drink labels.

Extruded film — A plastic film manufactured by forcing heated resin through a shaped die. This forms a tube of thin plastic film which is then expanded by an internal column of air to produce a continuous ribbon of film.

EZ Open packaging — Package technologies such as peelable closures or laser scoring used to allow the consumer easy access to a packaged product. EZ Open packaging may be combined with reclose features such as plastic zippers to allow for convenient storage of the packaged material once opened.

Film laminate — A multilayer plastic film made by laminating two or more films together with the use of adhesive or a molten plastic to achieve a barrier for the packaged contents.

Flexible pouches — A packaging option that delivers a semi-finished package, instead of rollstock, to a customer for filling product and sealing/closing the package for distribution.

Flexographic printing — The most common flexible packaging printing process using a raised rubber or alternative material image mounted on a printing cylinder.

Forming films — A flexible plastic film that is designed to take the shape determined by a cavity when subjected to heat and vacuum.

Injection molded plastic — Plastic that is created through a manufacturing process where heated plastic is injected into a die or mold.

Multipack — A film manufactured by a modified extrusion process that is used for wrapping and holding multipacks of products such as canned goods and bottles of liquids, replacing corrugate and fiberboard.

Narrow-web rolls — Films that are produced one-across at widths typically less than one meter and can be produced in either tube or roll form depending on the application.

Retort packaging — A multilayer flexible or rigid package able to withstand the thermal processing used for sterilization, similar to the process used for pressure cooking. The food is prepared and sealed in a package and then heated to approximately 250 degrees Fahrenheit under high pressure. This process extends the food product’s shelf life under normal room temperature conditions.

Rigid packaging — A form of packaging in which the shape of the package is retained as its contents are removed. Bottles, trays and clamshell packaging are examples of rigid packaging options.

Rollstock — The principal form in which flexible packaging material is delivered to a customer. Finished film wound on a core is converted in a process at the end user’s plant that forms, fills, and seals the package of product for delivery to customers.

Rotogravure printing — A high quality printing process utilizing a metal engraved cylinder.

Shrink bags/films — An extruded packaging film that is cooled, reheated, and stretched at a temperature near its melting point. The film is made to shrink around a product by an application of thermal treatment, and can be a barrier product if a layer of oxygen barrier material is added.

Specialty film — Plastic films that are produced for non-food applications and are typically used as either secondary packaging
or incorporated into a film structure to impart specific physical and /or performance characteristics.

Sterilization packaging — Packaging materials and preformed packaging systems that support the sterilization process, physical and sterile barrier protection through global distribution, and aseptic operating room presentation of life saving medical devices and technologies.

Thermoformed plastic packaging — A package formed by applying heat to a film to shape it into a tray or cavity and then sealing a flat film on top of the package after it has been filled.

Vacuum skin packaging ("VSP") — Vacuum skin packaging combines the benefits of traditional vacuum packs in terms of shelf life extension and premium second-skin presentation of meats, fish, and ready-made meals. VSP systems include multilayer high barrier top webs and adapted forming webs and trays.

ITEM 1A — RISK FACTORS

The following factors, as well as factors described elsewhere in this Form 10-K, or in other filings by the Company with the Securities and Exchange Commission, could adversely affect the Company's consolidated financial position, results of operations or cash flows. Other factors not presently known to us or that we presently believe are not material could also affect our business operations and financial results.

Raw materials — Raw material cost increases or shortages could adversely affect our results of operations.
As a manufacturer, our sales and profitability are dependent on the availability and cost of raw materials, which are subject to price fluctuations. Inflationary and other increases in the costs of raw materials have occurred in the past and are expected to recur, and our performance depends in part on our ability to reflect changes in costs in selling prices for our products. In the past, we have generally been successful in managing the impact of higher raw material costs by increasing selling prices. Natural disasters such as hurricanes, in addition to terrorist activity and government regulation of environmental emissions, may negatively impact the production or delivery capacity of our raw material suppliers in the chemical and paper industries. This could result in increased raw material costs or supply shortages, which may have a negative impact on our profitability if we are unable to pass along the increased costs in our selling prices or, in the case of a shortage, secure raw materials from alternative sources.

Key customers — The loss of key customers or a significant reduction in sales to those customers could significantly reduce our revenues.
Our customer base includes key (generally large) customers that are important to our success. If key customers experience financial pressure, they could attempt to demand more favorable contractual terms, which would place additional pressure on our margins and cash flows. In addition, our success depends on our ability to respond timely to changes in customer product needs and market acceptance of our products. We must produce products that meet the quality, performance, and price expectations of our customers. Changes in customers' preferences for our products can also affect the demand for our products. Lower demand for our products could adversely impact our business, financial condition and results of operations.

Acquisitions and divestitures — We may not be able to successfully integrate businesses that we acquire or limit ongoing costs associated with the operations we divest.
We have made numerous acquisitions in the past and are regularly considering new acquisitions that we believe will provide meaningful opportunities to grow our business and improve performance in the future. Acquired businesses may not achieve the levels of revenue, profit, productivity, or otherwise perform as we expect. Acquisitions involve special risks, including, without limitation, the potential assumption of unanticipated liabilities and contingencies as well as difficulties in integrating acquired businesses. While we believe that our acquisitions will improve our competitiveness and future financial performance, we can give no assurance that acquisitions will be successful.
We also make strategic divestitures from time to time, including the 2014 divestitures of the Paper Packaging Division and Pressure Sensitive Materials business. In the case of divestitures, we may agree to indemnify acquiring parties for certain liabilities arising from our former businesses. These divestitures may also result in continued financial involvement in the divested businesses, including through guarantees, service level agreements, or other financial arrangements, following the transaction. Lower performance by those divested businesses could also affect our future financial results if there is contingent consideration associated.

Information technology — A failure in our information technology systems could negatively affect our business.
We depend on information technology to record and process customers' orders, manufacture and ship products in a timely manner, and maintain the financial accuracy of our business records. We are in the process of implementing a global Enterprise Resource Planning ("ERP") system that will redesign and deploy new processes and a common information system across our plants over a period of several years. There can be no certainty that this system will deliver the expected benefits. The failure to achieve our goals may impact our ability to (1) process transactions

accurately and efficiently and (2) remain in step with the changing needs of the trade, which could result in the loss of customers. In addition, the failure to either deliver the application on time, or anticipate the necessary readiness and training needs, could lead to business disruption and loss of customers and revenue. Finally, failure or abandonment of any part of the ERP system could result in a write-off of part or all of the costs that have been capitalized on the project.

Our information systems could also be penetrated by outside parties or misused by employees or other insiders intent on extracting information, corrupting information, or disrupting business processes. Such unauthorized access could disrupt our business and could result in the loss of assets, which could result in the loss of customer confidence and business, and cause us to incur time and expense in remediation efforts.

Litigation — Litigation or regulatory developments could adversely affect our business operations and financial performance.

We are, and in the future will become, involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. As we expand our global footprint, we become exposed to more uncertainty regarding the regulatory environment. The timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is typically uncertain. Additionally, the possible outcomes of, or resolutions to, these proceedings could include adverse judgments or settlements, either of which could require substantial payments. See “Legal Proceedings" included in Item 3 of this Annual Report on Form 10-K.

Goodwill and other intangible assets — A significant write down of goodwill and/or other intangible assets would have a material adverse effect on our reported results of operations and net worth.

We review our goodwill balance for impairment at least once a year using the business valuation methods allowed in accordance with current accounting standards. These methods include the use of a weighted-average cost of capital to calculate the present value of the expected future cash flows of our reporting units. Future changes in the cost of capital, expected cash flows, or other factors may cause our goodwill and/or other intangible assets to be impaired, resulting in a non-cash charge against results of operations to write down these assets for the amount of the impairment. In addition, if we make changes in our business strategy or if external conditions adversely affect our business operations, we may be required to record an impairment charge for goodwill or intangibles, which would lead to decreased assets and reduced net operating results. If a significant write down is required, the charge would have a material adverse effect on our reported results of operations and net worth. We have identified the valuation of intangibles as a critical accounting estimate. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Judgments—Intangible assets and goodwill” included in Item 7 of this Annual Report on Form 10-K.

Patents and proprietary technology — Our success is dependent on our ability to develop and successfully introduce new products and to acquire and retain intellectual property rights.

Our ability to develop and successfully market new products and to develop, acquire, and retain necessary intellectual property rights is essential to our continued success, but cannot reasonably be assured.

Funded status of pension plans — Recognition of pension liabilities may cause a significant reduction in stockholders’ equity.

In September 2013 the Company approved amendments related to certain defined benefit pension plans effective December 31, 2013. The amendments froze all further benefit accruals for all persons entitled to benefits under these plans as of December 31, 2013. As a result, final average pay formulas will not reflect future compensation increases or additional service after December 31, 2013. While the amendments reduced some risk related to future service costs, there is still risk associated with ongoing liability re-measurement and plan asset valuations. Current accounting standards issued by the Financial Accounting Standards Board ("FASB") require balance sheet recognition of the funded status of our defined benefit pension and postretirement benefit plans. If the fair value of our pension plans’ assets at a future reporting date decreases or if the discount rate used to calculate the projected benefit obligation ("PBO") as of that date decreases, we will be required to record the incremental change in the excess of PBO over the fair value of the assets as a reduction of stockholders’ equity. The resulting non-cash after-tax charge would represent future expense and would be recorded directly as a decrease in the Accumulated Other Comprehensive Income component of stockholders’ equity. While we cannot estimate the future funded status of our pension liability with any certainty at this time, we believe that if the market value of assets or the discount rate used to calculate our pension liability materially decreases, the adjustment could significantly reduce our stockholders’ equity. A significant

reduction in stockholders' equity may impact our compliance with debt covenants or could cause a downgrade in our credit ratings that could also adversely impact our future cost and speed of borrowing and have an adverse effect on our financial condition, results of operations and liquidity. We have identified pension assumptions as a critical accounting estimate. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Judgments—Pension costs" and "—Pension assumptions sensitivity analysis" included in Item 7 of this Annual Report on Form 10-K.

Foreign operations — Conditions in foreign countries and changes in foreign currency exchange rates may significantly reduce our reported results of operations.
We have operations globally. In 2014, approximately 30 percent of our sales were generated by entities operating outside of the United States. Fluctuations in currencies can cause transaction and translation losses. In addition, our revenues and net income may be adversely affected by economic conditions, political situations, and changing laws and regulations in foreign countries, as to which we have no control.

Credit rating — A downgrade in our credit rating could increase our borrowing costs and negatively affect our financial condition and results of operations.
In addition to using cash provided by operations, we regularly issue commercial paper to meet our short-term liquidity needs. Our credit ratings are important to our ability to issue commercial paper at favorable rates of interest. A downgrade in our credit rating could increase the cost of borrowing by increasing the spread over prevailing market rates that we pay for our commercial paper or the fees associated with our bank credit facility.

Interest rates — An increase in interest rates could reduce our reported results of operations.
At December 31, 2014, our variable rate borrowings approximated $948.5 million (which includes $400 million fixed rate notes that have been effectively converted to variable rate debt through the use of a fixed to variable rate interest rate swap). Fluctuations in interest rates can increase borrowing costs and have an adverse impact on results of operations. Accordingly, increases in short-term interest rates will directly impact the amount of interest we pay. For each one percent increase in variable interest rates, our annual interest expense would increase by approximately $9.5 million on the $948.5 million of variable rate debt outstanding as of December 31, 2014.

Imports and exports — We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.
Certain of our products are subject to export controls and may be exported only with the required export license or through an export license exception. If we were to fail to comply with export licensing, customs regulations, economic sanctions and other laws, we could be subject to substantial civil and criminal penalties, including fines for the Company and incarceration for responsible employees and managers, and the possible loss of export or import privileges. In addition, if our distributors fail to obtain appropriate import, export or re-export licenses or permits, we may also be adversely affected through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

Furthermore, export control laws and economic sanctions prohibit the shipment of certain products to embargoed or sanctioned countries, governments and persons. While we train our employees to comply with these regulations, we cannot assure that a violation will not occur, whether knowingly or inadvertently. Any such shipment could have negative consequences including government investigations, penalties, fines, civil and criminal sanctions, and reputational harm. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in our decreased ability to export or sell our products to existing or potential customers with international operations. Any limitation on our ability to export or sell our products could adversely affect our business, financial condition and results of operations.

ITEM 1B — UNRESOLVED STAFF COMMENTS

None.

ITEM 2 — PROPERTIES

Properties utilized by the Company at December 31, 2014, were as follows:

U.S. Packaging Segment

This segment has 28 manufacturing plants located in 13 states, of which 27 are owned directly by the Company or its subsidiaries and one is leased from an outside party.

Global Packaging Segment

This segment has 32 manufacturing plants located in three U.S. states, the Commonwealth of Puerto Rico, and ten non-U.S. countries, of which 26 are owned directly by the Company or its subsidiaries and six are leased from outside parties. Initial building lease terms generally provide for minimum terms of five to twelve years and have one or more renewal options. The terms of building leases in effect at December 31, 2014, expire between 2015 and 2018.

Corporate and General

The Company considers its plants and other physical properties to be suitable, adequate, and of sufficient productive capacity to meet the requirements of its business. The manufacturing plants operate at varying levels of utilization depending on the type of operation and market conditions. The executive offices of the Company, which are leased, are located in Neenah, Wisconsin.

ITEM 3 — LEGAL PROCEEDINGS

The Company is involved in a number of lawsuits incidental to its business, including environmental-related litigation and routine litigation arising in the ordinary course of business. Although it is difficult to predict the ultimate outcome of these cases, the Company believes, except as discussed below, that any ultimate liability would not have a material adverse effect on the Company’s consolidated financial condition or results of operations.

Environmental Matters

The Company is a potentially responsible party ("PRP") pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as “Superfund”) and similar state and foreign laws in proceedings associated with 17 sites around the United States and one in Brazil. These proceedings were instituted by the United States Environmental Protection Agency and certain state and foreign environmental agencies at various times beginning in 1983. Superfund and similar state and foreign laws create liability for investigation and remediation in response to releases of hazardous substances in the environment. Under these statutes, joint and several liability may be imposed on waste generators, site owners and operators, and others regardless of fault. Although these regulations could require the Company to remove or mitigate the effects on the environment at various sites, perform remediation work at such sites, or pay damages for loss of use and non-use values, the Company expects its liability in these proceedings to be limited to monetary damages. The Company expects its future liability relative to these sites to be insignificant, individually and in the aggregate. The Company has accrued an amount that it believes to be adequate to cover its exposure.

São Paulo Tax Dispute

Two of the Company’s subsidiaries (Dixie Toga Ltda ("Dixie Toga") and Itap Bemis Ltda) were involved in a tax dispute with the City of São Paulo, Brazil ("City"). The City imposes a tax on the rendering of printing services. The City assessed this city services tax on the production and sale of printed labels and packaging products. The Company disagreed and contended that the city services tax was not applicable to its products and that the products were subject only to the state value added tax ("VAT"). Under Brazilian law, state VAT and city services tax are mutually exclusive and the same transaction can be subject to only one of those taxes. Based on a ruling from the State of São

Paulo, advice from legal counsel, and long standing business practice, the Company appealed the city services tax and instead continued to collect and pay only the state VAT.

The City disagreed and assessed the subsidiaries the city services tax for the multiple years dating back to 1991. The Company challenged the assessments and ultimately litigated the issue. Multiple courts, including the Lower Tax Court in the city of São Paulo and the São Paulo Court of Justice, previously issued decisions in favor of the Company. In May 2014, the Second Panel of the Supreme Court for the State of São Paulo issued a decision in favor of the Company in one of the relevant lawsuits. The City did not appeal, and the decision is final. The Company is involved in several similar lawsuits with the City. We expect it may take several years before the remaining cases are fully decided, but we believe this decision has established precedent and should lead to a favorable ruling in the remaining cases.

Brazil Tax Dispute - Goodwill Amortization

During October 2013, Dixie Toga received an income tax assessment in Brazil for the tax years 2009 through 2011 that relates to the amortization of certain goodwill generated from the acquisition of Dixie Toga. The income tax assessed for those years is approximately $14.3 million, translated to U.S. dollars at the December 31, 2014 exchange rate. The Company expects that tax examinations for years after 2011 will include similar assessments as the Company continues to claim the tax benefits associated with the goodwill amortization. An ultimate adverse resolution on these assessments, including interest and penalties, could be material to the Company's consolidated results of operations and/or cash flows.

The Company has been advised by its legal and tax advisors that its position with respect to the deductions is allowable under the tax laws of Brazil. The Company is contesting the disallowance and believes it is more likely than not the tax benefit will be sustained in its entirety and consequently has not recorded a liability. The Company intends to litigate the matter if it is not resolved at the administrative appeal levels. The ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years. At this time, the Company believes that final resolution of the assessment will not have a material impact on the Company's consolidated financial statements.

Brazil Investigation

On September 18, 2007, the Secretariat of Economic Law ("SDE"), a governmental agency in Brazil now integrated into the CADE (Brazilian Competition Commission) Superintendence General after a change in the law, initiated an investigation into possible anti-competitive practices in the Brazilian flexible packaging industry against a number of Brazilian companies including a Dixie Toga subsidiary. The investigation relates to periods prior to the Company’s acquisition of control of Dixie Toga and its subsidiaries. Given the nature of the proceedings, the Company is unable at the present time to predict the outcome of this matter.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 — MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
October 1-31, 2014	50,000	$38.60	50,000	8,337,783
November 1-30, 2014	1,132,856	38.70	1,132,856	7,204,927
December 1-31, 2014	522,036	42.64	522,036	6,682,891
Total		$39.90	1,704,892	6,682,891

The Company’s common stock is traded on the New York Stock Exchange under the symbol BMS. On December 31, 2014, there were 3,284 registered holders of record of our common stock. On May 1, 2014, the Board of Directors of the Company increased the cumulative authorization for repurchases to 9.4 million shares of Bemis common stock, which authorization has no stated expiration. During the fourth quarter of the year ended December 31, 2014, the Company repurchased 1,704,892 shares of Bemis common stock in the open market at an average purchase price of $39.90 per share. As of December 31, 2014, under authority granted by the Board of Directors, the Company had authorization to repurchase an additional 6,682,891 shares of its common stock.

Dividends paid and the high and low common stock prices per share were as follows:

For the Quarterly Periods Ended:	March 31	June 30	September 30	December 31
2014				
Dividend paid per common share	$0.27	$0.27	$0.27	$0.27
Common stock price per share				
High	40.99	41.58	41.02	47.20
Low	37.01	39.13	37.72	34.34
2013				
Dividend paid per common share	0.26	0.26	0.26	0.26
Common stock price per share				
High	40.41	41.22	42.34	41.02
Low	33.65	37.81	38.40	37.88
2012				
Dividend paid per common share	0.25	0.25	0.25	0.25
Common stock price per share				
High	32.79	33.48	32.08	33.93
Low	29.63	29.52	29.59	31.33

ITEM 6 — SELECTED FINANCIAL DATA

FIVE-YEAR CONSOLIDATED REVIEW
(dollars in millions, except per share amounts)

Years Ended December 31,	2014	2013	2012	2011	2010
Operating Data					
Net sales	$4,343.5	$4,476.6	$4,583.6	$4,747.9	$4,272.4
Income from continuing operations	239.1	192.5	148.9	164.3	187.1
Common Share Data					
Basic earnings per share from continuing operations	2.39	1.86	1.43	1.51	1.63
Diluted earnings per share from continuing operations	2.36	1.85	1.42	1.51	1.63
Dividends per share	1.08	1.04	1.00	0.96	0.92
Book value per share	14.59	16.53	15.88	15.36	17.90
Weighted-average shares outstanding for computation of diluted earnings per share	101.2	104.0	105.0	106.6	110.7
Common shares outstanding at December 31,	98.2	101.9	103.3	103.0	107.7
Capital Structure and Other Data					
Current ratio	2.7x	2.5x	2.4x	2.3x	2.2x
Working capital	$806.4	$902.6	$882.0	$867.0	$791.7
Total assets	3,615.1	4,110.2	4,185.7	4,320.4	4,285.8
Short-term debt	31.3	14.9	8.9	15.1	2.9
Long-term debt	1,315.9	1,421.4	1,417.6	1,554.8	1,283.5
Total equity	1,433.0	1,684.8	1,640.9	1,582.1	1,927.4
Depreciation and amortization	180.6	190.3	204.3	220.3	209.7
Capital expenditures	185.2	139.8	136.4	135.2	113.2
Number of common shareholders	3,284	3,416	3,481	3,618	3,758
Number of employees	16,944	19,106	19,564	20,165	19,796

ITEM 7 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis

Three Years Ended December 31, 2014
Management's Discussion and Analysis should be read in conjunction with the Consolidated Financial Statements and related Notes included in Item 8 of this Annual Report on Form 10-K.

Three-year review of results (dollars in millions)	2014			2013			2012		
Net sales	$4,343.5	100.0	%	$4,476.6	100.0	%	$4,583.6	100.0	%
Cost of products sold	3,484.4	80.2		3,601.2	80.4		3,731.9	81.4	
Gross profit	859.1	19.8		875.4	19.6		851.7	18.6	
Operating expenses:									
Selling, general, and administrative expenses	416.6	9.6		448.5	10.0		454.2	9.9	
Research and development	44.1	1.0		40.5	0.9		35.7	0.8	
Facility consolidation and other costs	—	—		45.4	1.0		68.7	1.5	
Other operating income	(9.3)	(0.2)		(9.2)	(0.2)		(15.2)	(0.3)	
Operating income	407.7	9.4		350.2	7.8		308.3	6.7	
Interest expense	60.8	1.4		68.2	1.5		70.9	1.5	
Other non-operating income	(16.8)	(0.4)		(7.7)	(0.2)		(3.8)	(0.1)	
Income from continuing operations before income taxes	363.7	8.4		289.7	6.5		241.2	5.3	
Provision for income taxes	124.6	2.9		97.2	2.2		92.3	2.0	
Income from continuing operations	239.1	5.5		192.5	4.3		148.9	3.2	
(Loss) income from discontinued operations	(48.0)	(1.1)		20.1	0.4		24.9	0.5	
Net income	$191.1	4.4	%	$212.6	4.7	%	$173.8 \	3.8	%
Effective income tax rate		34.3	%		33.6	%		38.3	%
Diluted earnings per share from continuing operations	$2.36			$1.85			$1.42		

Overview
Bemis Company, Inc. is a leading global manufacturer of packaging supplying a variety of markets. Historically, about 75 percent of our total net sales are to customers in the food industry. Sales of our packaging products are widely diversified among food categories and can be found in nearly every aisle of the grocery store. Our emphasis on supplying packaging to the food industry has typically provided a more stable market environment for our U.S. Packaging and Global Packaging business segments.

Market Conditions

The markets into which our products are sold are highly competitive. Our leading market positions in packaging for perishable food and medical device products reflect our focus on value-added, proprietary products that provide food safety and sterility benefits. We also manufacture products for which our technical know-how and economies of scale offer us a competitive advantage. The primary raw materials for our business segments are polymer resins and films, paper, inks, adhesives, aluminum, and chemicals.

Facility Consolidation

During the fourth quarter of 2011 we initiated a facility consolidation program to improve efficiencies and reduce fixed costs. This program was expanded in the second quarter of 2012. In total, nine production facilities were closed, and while some low margin business was shed, most of the production from these facilities has been transferred to other facilities. The total cost of the programs was $149.8 million which included $55.3 million in employee-related costs, $51.2 million in fixed asset accelerated depreciation and write-downs, and $43.3 million in other facility consolidation costs.

We recorded $45.4 million and $68.7 million of charges associated with the facility consolidation programs during the twelve months ended December 31, 2013 and 2012, respectively. These costs have been recorded on the consolidated statement of income as facility consolidation and other costs. Cash payments for these programs in 2013 and 2012 totaled $51.6 million and $35.2 million, respectively. At the end of 2013, the facility consolidation program was substantially complete.

Discontinued Operations

On November 7, 2014, we completed the sale of our global Pressure Sensitive Materials business. Net proceeds of the transaction totaled $136.9 million, subject to settlement of customary post-closing adjustments in 2015.

The Pressure Sensitive Materials business meets the criteria to be classified as a discontinued operation, which requires retrospective application to certain financial information for all periods presented. Amounts included in the consolidated statement of income have been recast to exclude Pressure Sensitive Materials amounts. The consolidated balance sheet at December 31, 2013 and related notes have not been recast to reflect the assets and liabilities divested. The consolidated statement of cash flows for all periods includes both continuing and discontinued operations.

(Loss) income from discontinued operations in 2014 includes the operating results of our Pressure Sensitive Materials business, goodwill impairment charges, direct transaction costs associated with the planned divestiture, $25.0 million of plant closure costs associated with our Stow, Ohio facility ($0.16 per share after tax), and the associated income tax effects of these items. The pre-tax $44.7 million ($0.50 per share after tax) non-cash goodwill impairment charge is to reduce net assets held for sale to estimated fair value, less costs to sell.

Acquisitions and Divestitures

Divestiture of Paper Packaging Division

On March 31, 2014, we completed the sale of our Paper Packaging Division. Annual net sales by this division were approximately $160 million. Net proceeds of the transaction totaled $78.7 million. A $9.3 million pre-tax gain on the sale was recorded as part of other non-operating income during 2014.

Acquisition of Specialty Film Manufacturer in Foshan, China

On July 1, 2013, we acquired Foshan New Changsheng Plastics Films Co., LTD ("Foshan"), a specialty film manufacturer located in Foshan, China. The acquisition of this film platform is expected to provide cost and logistics benefits to support our broader Asia-Pacific growth strategy. The cash purchase price was $75.6 million.

Divestiture of Clysar Plant in Clinton, Iowa

On May 29, 2013, we completed the sale of our Clysar thin gauge shrink film plant. Annual net sales of Clysar films were approximately $70 million and were sold primarily through distributors into the display market. Net proceeds of

the transaction totaled $30 million.

Acquisition of Australia and New Zealand Distributors

On August 22, 2012, we acquired flexible packaging businesses in Australia and New Zealand. The acquisition of these businesses supports our strategy to enhance our presence in the Asia-Pacific region. The combined purchase price was approximately $18.4 million.

Results of Operations

Consolidated Overview — Continuing Operations

(in millions, except per share amounts)	2014	2013	2012
Net sales	$4,343.5	$4,476.6	$4,583.6
Income from continuing operations	239.1	192.5	148.9
Diluted earnings per share from continuing operations	2.36	1.85	1.42

2014 versus 2013

Net sales for the year ended December 31, 2014 decreased 3.0 percent from the same period of 2013. Currency translation reduced net sales by 2.4 percent. The divestitures of the Clysar business in 2013 and the Paper Packaging Division in 2014 reduced sales by 3.4 percent. The acquisition of Foshan during the third quarter of 2013 increased net sales by 0.8 percent in the current year. Plant closures during 2013 reduced sales by 0.1 percent. The remaining 2.1 percent increase in net sales represents the net benefit of changes in selling prices and sales mix, partially offset by an approximate 2 percent net sales reduction from lower volume.

Diluted earnings per share from continuing operations for the year ended December 31, 2014 were $2.36 compared to $1.85 reported in the same period of 2013. Results for 2014 included a $0.06 gain on the sale of our Paper Packaging Division. Results for 2013 included a $0.29 charge associated with facility consolidation and other costs, a $0.03 gain on the sale of our Clysar plant, and a $0.02 gain on the sale of land and building.

2013 versus 2012

Net sales for the year ended December 31, 2013 decreased 2.3 percent from the same period of 2012. Currency translation reduced net sales by 1.6 percent. Acquisitions increased net sales by approximately 0.9 percent during the year, which was completely offset by the sales reduction due to divestitures. Our facility consolidation activities reduced net sales by 1.7 percent, reflecting our reduced capacity for certain products. The remaining increase in net sales represents an approximate 4 percent benefit from increased selling prices and improved sales mix, partially offset by an approximate 3 percent net sales reduction from lower volume. These changes were principally driven by the performance of our Global Packaging business, as described below.

Diluted earnings per share from continuing operations for the year ended December 31, 2013 were $1.85 compared to $1.42 reported in the same period of 2012. Results for 2013 included a $0.29 charge associated with facility consolidation and other costs and $0.05 of benefits associated with gains on divestiture and land and building. Results for 2012 included a $0.45 charge associated with facility consolidation and other costs and $0.04 of charges for acquisition-related earnout and transaction payments.

2012 Accounting Practice Harmonization

In the fourth quarter of 2012, financial modules of our ERP system were implemented at a significant number of our locations. During that quarter we recorded adjustments primarily to cost of goods sold in order to harmonize the application of certain accounting practices and provide consistency among the business segments. These adjustments which were made to individual locations across our segments, as referenced in the respective business segment discussions and summarized in the chart below, substantially offset one another.

(dollars in millions)	Benefit (detriment)
U.S. Packaging	$ 13.8
Global Packaging	(16.4)

Total	$	(2.6	)

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U.S. Packaging Business Segment

Our U.S. Packaging segment represents all food, consumer, and industrial products packaging-related manufacturing operations located in the United States. Our U.S. Packaging business segment provides packaging to a variety of end markets, including applications for meat and cheese, dairy and liquids, confectionery and snack foods, frozen foods, lawn and garden products, health and hygiene products, beverages, bakery goods, and dry foods.

(dollars in millions)	2014	2013	2012
Net sales	$2,860.7	$2,984.6	$3,040.1
Operating profit (See Note 20 to the Consolidated Financial Statements)	375.8	337.9	366.7
Operating profit as a percentage of net sales	13.1 %	11.3 %	12.1 %

2014 versus 2013

U.S. Packaging net sales decreased 4.2 percent in the year ended December 31, 2014 compared to the same period of 2013. The divestitures of the Clysar business in 2013 and the Paper Packaging Division in 2014 reduced sales by 5.2 percent. Plant closures during 2013 reduced sales by 0.1 percent. The remaining 1.1 percent increase in net sales reflects the net benefit of increased selling prices and improved sales mix as a result of our ongoing focus to increase sales of value-added flexible packaging products, partially offset by an approximate 2 percent decrease in unit volumes driven by generally softer demand.

Operating profit for the total year 2014 was $375.8 million, or 13.1 percent of net sales, compared to $337.9 million, or 11.3 percent of net sales in 2013. Operating profit in 2013 was negatively impacted by $45.0 million of facility consolidation and other costs.

2013 versus 2012

U.S. Packaging net sales decreased 1.8 percent in the year ended December 31, 2013 compared to the same period of 2012. This change reflects a 1.4 percent reduction in sales due to the impact of facility consolidation activities, in addition to a 1.4 percent reduction associated with a divestiture in May of 2013. The remaining one percent increase in net sales reflects an approximately 2 percent benefit from increased selling prices and improved sales mix, partially offset by an approximately one percent decrease in net sales associated with generally lower unit sales compared to the same period of last year. The net benefit of increased selling prices and improved sales mix reflect our ongoing focus on higher priced, value-added flexible packaging products.

Operating profit for the total year 2013 was $337.9 million, or 11.3 percent of net sales, compared to $366.7 million, or 12.1 percent of net sales in 2012. Operating profit in 2013 and 2012 were negatively impacted by $45.0 million and $42.1 million of facility consolidation and other costs, respectively. Operating profit in 2012 benefited from a favorable fourth quarter adjustment totaling $13.8 million related to the harmonization of certain accounting practices in connection with an enterprise resource planning system implementation.

Global Packaging Business Segment

Our Global Packaging business segment includes all of our packaging-related manufacturing operations located outside of the United States as well as our global medical device and pharmaceutical packaging manufacturing operations. Our Global Packaging business segment provides packaging to a variety of end markets, including applications for meat and cheese, dairy and liquids, confectionery and snack foods, frozen foods, lawn and garden products, health and hygiene products, beverages, medical and pharmaceutical products, bakery goods, and dry foods.

(dollars in millions)	2014	2013	2012
Net sales	$1,482.8	$1,492.0	$1,543.5
Operating profit (See Note 20 to the Consolidated Financial Statements)	113.3	106.4	59.9
Operating profit as a percentage of net sales	7.6 %	7.1 %	3.9 %

2014 versus 2013

Global Packaging net sales of $1.5 billion represented a decrease of 0.6 percent compared to 2013. Acquisitions increased net sales by approximately 2.4 percent, which was more than offset by a 7.0 percent decrease in net sales related to

currency translation. The remaining 4.0 percent increase in Global Packaging net sales reflects the net benefit of changes in selling prices and sales mix as a result of our ongoing focus to increase sales of value-added flexible packaging products, partially offset by an approximate 1 percent decrease in unit volumes driven by generally lower consumer demand in South America.

Operating profit for the total year 2014 was $113.3 million, or 7.6 percent of net sales, compared to $106.4 million, or 7.1 percent of net sales in 2013. The net effect of currency translation decreased operating profit in 2014 by $6.4 million. Margin improvement in this segment reflects the favorable impact of increased sales of value-added packaging for medical device, pharmaceutical, and perishable food applications.

2013 versus 2012

Global Packaging net sales of $1.5 billion represented a decrease of 3.3 percent compared to 2012. The impact of currency translation reduced net sales by 4.8 percent during the year. Facility consolidation activities reduced net sales by 3.0 percent, reflecting our reduced capacity for certain products. Our acquisition of a China-based extrusion facility in July 2013 increased net sales by 2.8 percent compared to last year. The remaining 1.7 percent increase in Global Packaging net sales reflects the net impact of an approximately 12 percent increase in net sales associated with higher selling prices and improved sales mix, partially offset by a net sales decrease of approximately 10 percent related to lower unit sales volumes. Lower unit sales volumes reflect the impact of economic inflation in Latin America which has increased food prices and reduced consumer demand for grocery products, including applications that use our packaging products.

Operating profit for the total year 2013 was $106.4 million, or 7.1 percent of net sales, compared to $59.9 million, or 3.9 percent of net sales in 2012. The net effect of currency translation decreased operating profit in 2013 by $6.9 million. Operating profit in 2013 and 2012 were negatively impacted by $0.4 million and $26.6 million of facility consolidation and other costs, respectively. The increase in operating profit also reflects the impact of an unfavorable 2012 fourth quarter adjustment totaling $16.4 million related to the harmonization of certain accounting practices in connection with the enterprise resource planning system implementation, and $4.6 million of Mayor Packaging acquisition-related charges in 2012.

Consolidated Gross Profit

(dollars in millions)	2014	2013	2012
Gross profit	$859.1	$875.4	$851.7
Gross profit as a percentage of net sales	19.8 %	19.6 %	18.6 %

Gross profit in 2014 and 2013 reflects the benefits of cost reductions associated with facility consolidation activities and improvements in sales mix.

Consolidated Selling, General, and Administrative Expenses

(dollars in millions)	2014	2013	2012
Selling, general, and administrative expenses (SG&A)	$416.6	$448.5	$454.2
SG&A as a percentage of net sales	9.6 %	10.0 %	9.9 %

Selling, general, and administrative expenses ("SG&A") in 2014 declined due to the impact of business divestitures of approximately $17 million and lower employee-related expenses of approximately $10 million, in addition to disciplined cost control measures. SG&A in 2013 reflects lower employee benefit plan costs of approximately $10 million partially offset by inflationary increases.

Research and Development (R&D)

(dollars in millions)	2014	2013	2012
Research and development (R&D)	$44.1	$40.5	$35.7
R&D as a percentage of net sales	1.0 %	0.9 %	0.8 %

During the periods presented, R&D expense increased in absolute terms and as a percentage of net sales, reflecting our investment in select research and development projects that are expected to create long-term growth opportunities. Current market trends support these investments.

Other Operating Income

(dollars in millions)	2014	2013	2012
Other operating income	$(9.3)	$(9.2)	$(15.2)

For the year 2014, other operating income included $11.6 million of fiscal incentive income compared to $10.8 million in 2013 and $16.6 million in 2012. The reduction in fiscal incentives reflects the impact of currency translation, the closing of a plant in Brazil, and a general reduction in fiscal incentives. These fiscal incentives are associated with net sales in South America and are included in Global Packaging segment operating profit.

Interest Expense

(dollars in millions)	2014	2013	2012
Interest expense	$60.8	$68.2	$70.9
Effective interest rate	4.4 %	4.8 %	4.7 %

Interest expense in 2014 declined as a result of refinancing bonds that matured August 1, 2014 with lower variable rate debt.

Other Non-operating Income

(dollars in millions)	2014	2013	2012
Other non-operating income	$(16.8)	$(7.7)	$(3.8)

A $9.3 million pre-tax gain related to the sale of our Paper Packaging Division and $7.6 million of interest income were recorded in 2014.

During 2013, a $2.2 million pre-tax gain on the sale of land and building and a $5.5 million pre-tax gain on the sale of our Clysar plant was recorded as part of other non-operating income. We recognized $4.5 million of expense in 2013 for the write-off of indemnification receivables as an offsetting tax liability was reversed (see "Income Taxes" below). The residual amount in other non-operating income relates to interest income.

During 2012, other non-operating income included interest income and a gain on sale of excess land, partially offset by a foreign exchange loss of $1.8 million.

Income Taxes

(dollars in millions)	2014	2013	2012
Income taxes	$124.6	$97.2	$92.3
Effective tax rate	34.3 %	33.6 %	38.3 %

Other than the differences noted below, the difference between our overall tax rate and the U.S. statutory rate of 35 percent in each of the three years presented principally relates to state and local income taxes, net of federal income tax benefits, and the differences between tax rates in the various foreign jurisdictions in which we operate.

Our 2013 effective income tax rate was 33.6 percent. During 2013, a $4.5 million tax benefit was recognized for the reversal of non-U.S. tax liabilities that were assumed in a past acquisition. We also recognized an equal amount of non-operating expense for the write-off of related receivables (see "Other Non-operating Income" above). These equal and offsetting items had no impact on operating profit, net income or earnings per share.

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Our 2012 effective income tax rate was 38.3 percent. This higher rate was caused by adjustments to valuation allowances based on the likely realization of the future benefits related to specific net deferred tax assets. The deferred tax assets relate primarily to accumulated operating losses incurred by certain legal entities in foreign countries. Excluding these adjustments, the effective tax rate for 2012 would have been 36.5 percent.

Liquidity and Capital Resources

Debt to Total Capitalization
Net debt to total capitalization (which includes total debt net of cash balances divided by total debt net of cash balances plus equity) was 44.9 percent at December 31, 2014, compared to 43.5 percent at December 31, 2013. Total debt as of December 31, 2014 and 2013 was approximately $1.3 billion and $1.4 billion, respectively.

Credit Rating
Our capital structure and financial practices have earned us investment grade credit ratings from two nationally recognized credit rating agencies. These credit ratings are important to our ability to issue commercial paper at favorable rates of interest.

Cash Flow
Net cash provided by operations totaled $248.1 million for the year ended December 31, 2014, compared to $373.2 million in 2013 and $421.3 million in 2012. Reduced operating cash flow in 2014 reflects high levels of working capital associated with sales growth initiatives. New product commercialization and strong customer demand for value-added products resulted in higher inventory and accounts receivable balances. Net cash provided by operations was reduced by income tax payments of $134.8 million, $121.9 million and $79.3 million during 2014, 2013, and 2012, respectively. Net cash provided by operations was reduced by contributions to our defined benefit pension plans of $10.8 million, $39.0 million and $65.4 million during 2014, 2013, and 2012, respectively. In 2014 we used $20.8 million of cash for payments related to the closure of our Stow, Ohio plant. Cash flow from operations was reduced by $51.6 million and $35.2 million of cash paid related to the facility consolidation program during 2013 and 2012, respectively.

Net cash provided by investing activities totaled $40.5 million for the year ended December 31, 2014 compared to cash used in investing activities in 2013 totaling $155.8 million. The cash proceeds from divesting our Pressure Sensitive Materials business and Paper Packaging Division more than offset increased capital expenditure spending in 2014. The cash proceeds from divesting our Clysar plant offset the higher acquisition outflows associated with our Foshan purchase in 2013.

Net cash used in financing activities for the years ended December 31, 2014 and 2013, included share repurchases of $152.1 million and $77.3 million, respectively. Net cash used in financing activities for the year ended December 31, 2012 included repayment of our $300 million notes.

Available Financing
In addition to using cash provided by operations, we issue commercial paper to meet our short-term liquidity needs. At year-end, our commercial paper debt outstanding was $317.3 million. Based on our current credit rating, we enjoy ready access to the commercial paper markets.

On August 12, 2013, we amended our revolving credit facility to increase the total amount available from $800 million to $1.1 billion and to extend the term from July 21, 2016 to August 12, 2018. This facility is principally used as back-up for our commercial paper program. Our revolving credit facility is supported by a group of major U.S. and international banks. Covenants imposed by the revolving credit facility include minimum net worth calculations and a maximum ratio of debt to total capitalization. The revolving credit agreement includes a $100 million multicurrency

limit to support the financing needs of our international subsidiaries. As of December 31, 2014, there was $317.3 million of debt outstanding supported by this credit facility, leaving $782.7 million of available credit. If we were not able to issue commercial paper, we would expect to meet our financial liquidity needs by accessing the bank market, which would increase our borrowing costs. Borrowings under the credit agreement are subject to a variable interest rate.

Public notes totaling $400 million matured in August 2014. On July 15, 2014, we further amended our revolving credit facility to provide for a $200 million term loan. This term loan has an eight-year term and a variable rate based on the one-month London Interbank Offered Rate (LIBOR) plus a fixed spread. We used this term loan combined with commercial paper borrowings to refinance the $400 million public notes which matured in August 2014.

Liquidity Outlook

As of December 31, 2014, cash and cash equivalents outside of the United States was $44.0 million. We use a notional pooling arrangement with an international bank to help manage global liquidity requirements. Under this pooling arrangement, our participating subsidiaries maintain either a cash deposit or borrowing position through local currency accounts with the bank, so long as the aggregate position of the global pool is a notionally calculated net cash deposit. This notional pooling arrangement allows reasonable access to our cash in foreign subsidiaries, as well as provides a financing option to foreign subsidiaries beyond our multi-currency credit facility.

Management expects cash flow from operations and available liquidity described above to be sufficient to support operations going forward. There can be no assurance, however, that the cost or availability of future borrowings will not be impacted by future capital market disruptions. In addition, increases in raw material costs would increase our short term liquidity needs.

Capital Expenditures

Capital expenditures were $185.2 million during 2014, compared to $139.8 million in 2013, and $136.4 million in 2012. We expect capital expenditures for 2015 to be in the range of $185 to $200 million, which will support increased customer demand for value-added products and further strengthen our competitive position. We expect to fund 2015 capital expenditures with cash provided by operating activities.

Dividends

We increased our quarterly cash dividend by 3.8 percent during the first quarter of 2014 to $0.27 per share from $0.26 per share. This follows increases of 4.0 percent in 2013 and 4.2 percent in 2012. In February 2015, the Board of Directors approved the 32nd consecutive annual increase in the quarterly cash dividend on common stock to $0.28 per share, a 3.7 percent increase.

Share Repurchases

We purchased 3.8 million and 2.0 million shares of our common stock in the open market during 2014 and 2013, respectively. No shares were repurchased during 2012. As of December 31, 2014, 6.7 million shares remained on our previously-approved authorization to purchase common stock for the treasury.

Contractual Obligations

The following table provides a summary of contractual obligations including our debt payment obligations, operating lease obligations, and certain other purchase obligations as of December 31, 2014. Obligations under capital leases are insignificant.

	Contractual Payments Due by Period				
		Less than	1 to 3	3 to 5	More than
(in millions)	Total	1 year	years	years	5 years
Long-term debt obligations (1)	$1,317.3	$—	$—	$717.3	$600.0
Interest expense (2)	273.4	48.9	97.6	86.3	40.6
Operating leases (3)	54.4	8.7	12.9	7.5	25.3
Purchase obligations (4)	489.9	462.6	16.3	2.5	8.5
Postretirement obligations (5)	59.2	2.1	21.3	6.5	29.3
Total	$2,194.2	$522.3	$148.1	$820.1	$703.7

(1) Long-term debt maturing in 2015 is $317.3 million. These amounts have been classified as long-term liabilities in accordance with the Company's ability and intent to refinance such obligations on a long-term basis. This debt is commercial paper backed by a bank credit facility that expires on August 12, 2018. See Note 14 to the Consolidated Financial Statements for additional information about our long term debt.

(2) A portion of the interest expense disclosed is subject to variable interest rates. The amounts disclosed above assume that future variable interest rates are equal to rates at December 31, 2014.

(3) We enter into operating leases in the normal course of business. Substantially all lease agreements have fixed payment terms based on the passage of time. Some lease agreements provide us with the option to renew the lease. Our future

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operating lease obligations would change if we exercised these renewal options and if we entered into additional operating lease agreements.

(4) Purchase obligations represent contracts or commitments for the purchase of raw materials, utilities, capital equipment and various other goods and services.

(5) Postretirement obligations represent contracts or commitments for postretirement healthcare benefits and benefit payments for the unfunded Bemis Supplemental Retirement Plan. See Note 11 to the Consolidated Financial Statements for additional information about our postretirement benefit obligations.

We also have long-term obligations related to our income tax liabilities associated with uncertain tax positions, environmental liabilities, multi-employer plan, and pension defined benefit plans. These liabilities have been excluded from the table above due to the high degree of uncertainty as to amounts and timing regarding future payments. See Consolidated Financial Statements and related Notes.

Market Risks and Foreign Currency Exposures

We enter into contractual arrangements (derivatives) in the ordinary course of business to manage foreign currency exposure and interest rate risks. We do not enter into derivative transactions for speculative trading purposes. Our use of derivative instruments is subject to internal policies that provide guidelines for control, counterparty risk, and ongoing reporting. These derivative instruments are designed to reduce the income statement volatility associated with movement in foreign exchange rates and to achieve greater exposure to variable interest rates.

A portion of the interest expense on our outstanding debt is subject to short-term interest rates. As such, increases in short-term interest rates will directly impact the amount of interest we pay. For each one percent increase in variable interest rates, the annual interest expense on $948.5 million of variable rate debt outstanding (which includes $400 million fixed rate notes that have been effectively converted to variable rate debt through the use of a fixed to variable rate interest rate swap) would increase by approximately $9.5 million.

We enter into interest-rate swap contracts to economically convert a portion of our fixed-rate debt to variable rate debt. During the fourth quarter of 2011, we entered into four interest rate swap agreements with a total notional amount of $400 million. These contracts were designated as hedges of our $400 million 4.50 percent fixed-rate debt due in 2021. The variable rate for each of the interest rate swaps is based on the six-month London Interbank Offered Rate (LIBOR), set in arrears, plus a fixed spread. The variable rates are reset semi-annually at each net settlement date. The net settlement benefit to us, which is recorded as a reduction in interest expense, was $8.2 million, $8.1 million, and $7.0 million in 2014, 2013, and 2012, respectively. At December 31, 2014 and 2013, the fair value of these interest rate swaps was $1.0 million in our favor and $20.2 million in the bank's favor, respectively, using discounted cash flow or other appropriate methodologies. Asset positions are included in deferred charges and other assets with a corresponding increase in long-term debt. Liability positions are included in other liabilities and deferred credits with a corresponding decrease in long-term debt.

Our international operations enter into forward foreign currency exchange contracts to manage foreign currency exchange rate exposures associated with certain foreign currency denominated receivables and payables. At December 31, 2014 and 2013, we had outstanding forward exchange contracts with notional amounts aggregating $2.3 million and $5.5 million, respectively. Forward exchange contracts generally have maturities of less than six months. Counterparties to the forward exchange contracts are major financial institutions. Credit loss from counterparty nonperformance is not anticipated. We have not designated these derivative instruments as hedging instruments. The net settlement amount (fair value) related to the active forward foreign currency exchange contracts is recorded on the balance sheet within current liabilities and as an element of other operating income which offsets

the related transactions gains and losses on the related foreign denominated asset or liability. Amounts recognized in income related to forward exchange contracts were $0.4 million of expense and $0.1 million of income in the years ended December 31, 2014 and 2013, respectively.

Critical Accounting Estimates and Judgments
Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to retirement benefits, intangible assets, goodwill, and expected future performance of operations. Our estimates and judgments are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are critical accounting estimates used in the preparation of our consolidated financial statements.
•The calculation of annual pension costs and related assets and liabilities; and
•The valuation of intangible assets and goodwill.

Pension costs
We recognize amounts in our financial statements related to our defined benefit pension plans which are frozen for the majority of participants on an actuarial basis. The accounting for our pension plans requires us to recognize the overfunded or underfunded status of the pension plans on our balance sheet. A substantial portion of our pension amounts relate to our defined benefit plans in the United States. Net periodic pension cost recorded in 2014 was $9.4 million, compared to pension cost of $24.3 million in 2013 and $47.8 million in 2012. We expect pension expense before the effect of income taxes for 2015 to be in a range of $10 million to $15 million.

One element used in determining annual pension income and expense in accordance with accounting rules is the expected return on plan assets. Beginning in 2013, we adopted a liability responsive asset allocation policy that becomes more conservative as the funded status of the plans improve. The majority of pension plan assets relate to U.S. plans and the target allocation is currently to invest approximately 65 percent in fixed income securities and approximately 35 percent in equity securities.

To develop the expected long-term rate of return on assets assumption, we considered compound historical returns and future expectations based on our target asset allocation. For the historical long-term investment periods of 10, 15, 20 and 25 years ending December 31, 2014, our U.S. pension plan assets earned annualized rates of return of 6.6 percent, 4.1 percent, 8.8 percent, and 8.7 percent, respectively. Using our U.S. target asset allocation of plan assets, our outside actuaries have used their independent economic models to calculate a range of expected long-term rates of return and, based on their results, we have determined our U.S. asset return assumptions to be reasonable.

This assumed long-term rate of return on assets is applied to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over approximately three years. This process calculates the expected return on plan assets that is included in pension income or expense. The difference between this expected return and the actual return on plan assets is generally deferred and recognized over subsequent periods. The net deferral of asset gains and losses affects the calculated value of pension plan assets and, ultimately, future pension income and expense.

At the end of each year, we determine the discount rate to be used to calculate the present value of pension plan liabilities. This discount rate is an estimate of the current interest rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate, we look to changes in rates of return on high quality, fixed income investments that receive one of the two highest ratings given by a recognized ratings agency. At December 31, 2014, for our U.S. defined benefit pension plans we determined this rate to be 4.00 percent, a decrease

of one percent from the 5.00 percent rate used at December 31, 2013.

For our non-U.S. pension plans, we follow similar methodologies in determining the appropriate expected rates of return on assets and discount rates to be used in our actuarial calculations in each individual country.

U.S. Pension assumptions sensitivity analysis
The following charts depict the sensitivity of estimated 2015 pension expense to incremental changes in the discount rate and the expected long-term rate of return on assets.

Discount rate	Total increase (decrease) to pension expense from current assumption (in millions)	Rate of Return on Plan Assets	Total increase (decrease) to pension expense from current assumption (in millions)
3.00 percent	$ 8.0	6.50 percent	$ 6.4
3.25 percent	5.8	6.75 percent	4.7
3.50 percent	3.8	7.00 percent	3.1
3.75 percent	1.9	7.25 percent	1.6
4.00 percent — Current Assumption	—	7.50 percent — Current Assumption	—
4.25 percent	(1.9)	7.75 percent	(1.6)
4.50 percent	(3.6)	8.00 percent	(3.1)
4.75 percent	(5.2)	8.25 percent	(4.7)
5.00 percent	(6.8)	8.50 percent	(6.4)

The amount by which the fair value of plan assets differs from the projected benefit obligation of a pension plan must be recorded on the Consolidated Balance Sheet as an asset, in the case of an overfunded plan, or as a liability, in the case of an underfunded plan. The gains or losses and prior service costs or credits that arise but are not recognized as components of pension cost are recorded as a component of other comprehensive income. The following chart depicts the sensitivity of the total pension adjustment to other comprehensive income to changes in the assumed discount rate.

Discount rate	Total increase (decrease) in Accumulated Other Comprehensive Income, net of taxes, from current assumptions (in millions)
3.00 percent	$ (110.2)
3.25 percent	(80.4)
3.50 percent	(52.3)
3.75 percent	(25.4)
4.00 percent — Current Assumption	—
4.25 percent	24.1
4.50 percent	47.0
4.75 percent	68.7
5.00 percent	89.4

Intangible assets and goodwill

The purchase price of each new acquisition is allocated to tangible assets, identifiable intangible assets, liabilities assumed, and goodwill. Determining the portion of the purchase price allocated to identifiable intangible assets and goodwill requires us to make significant estimates. The amount of the purchase price allocated to intangible assets is generally determined by estimating the future cash flows of each asset and discounting the net cash flows back to their present values. The discount rate used is determined at the time of the acquisition in accordance with accepted valuation methods.

Goodwill represents the excess of the aggregate purchase price over the fair value of net assets acquired, including intangible assets. Goodwill is not amortized, but instead tested annually or when events and circumstances indicate an impairment may have occurred. Our reporting units each contain goodwill that is assessed for potential impairment. All goodwill is assigned to reporting units, which is defined as the operating segment, or one level below the operating segment. We have three reporting units, of which two are included in the Global Packaging reportable segment. The other reporting unit is the U.S. Packaging segment.

Goodwill for our reporting units is reviewed for impairment annually in the fourth quarter of each year using a two-step process. In the first step, we compare the fair value of each reporting unit to its carrying value, including goodwill. Our determination of the estimated fair value of the reporting units utilizes both a discounted cash flow valuation and a market multiple method. Significant inputs to the discounted cash flow valuation method include discount rates, long-term sales growth rates and forecasted operating margins. The market multiple method estimates fair value by comparing the Company to similar public companies. If the fair value exceeds the carrying value, step two is not required and an impairment loss is not

recognized. If step two were required, we would calculate the implied fair value of goodwill by deducting the fair value of all tangible and intangible net assets, including unrecognized intangible assets, of the reporting unit from the fair value of the reporting unit. If the implied fair value of goodwill is less than the carrying value of goodwill, we would recognize an impairment loss, in the period identified, equal to the difference.

Current accounting guidance allows the Company to first perform a qualitative assessment about the likelihood of the carrying value of a reporting unit exceeding its fair value, referred to as the "Step 0" assessment. The Step 0 assessment requires the evaluation of certain qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance, as well as company and reporting unit factors. If the Company's Step 0 analysis indicates that it is more likely than not that the fair value of a reporting unit is less than the carrying amount, then the Company would perform a quantitative two-step impairment test. The Company applied the Step 0 assessment to the U.S. Packaging reporting unit in 2014 and concluded that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount. Therefore, the two-step goodwill impairment test for this reporting unit was not necessary in 2014.

Our estimates associated with the goodwill impairment tests are considered critical due to the amount of goodwill recorded on our consolidated balance sheet and the judgment required in determining fair value amounts, including projected future cash flows. Judgment is used in assessing whether goodwill should be tested more frequently for impairment than annually. Factors such as a significant decrease in expected net earnings, adverse equity market conditions, and other external events may require more frequent assessments. The annual goodwill impairment testing has been completed and, as the fair value of each reporting unit was at least 20 percent in excess of the respective reporting unit’s carrying value, it has been determined that our $1.0 billion of goodwill is not impaired as of December 31, 2014. We perform sensitivity analyses of key factors including discount rates and long-term sales growth rates. There were no key factors that a 1 percent change would result in an impairment.

Intangible assets consist primarily of purchased customer relationships, technology, trademarks, and tradenames and are amortized using the straight-line method over their estimated useful lives, which range from one to 30 years, when purchased. We review these intangible assets for impairment as changes in circumstances or the occurrence of events suggest that the remaining value is not recoverable. The test for impairment requires us to make estimates about fair value, most of which are based on projected future cash flows. These estimates and projections require judgments as to future events, condition, and amounts of future cash flows. We have no indefinite-lived intangible assets.

New Accounting Pronouncements

There has been no new accounting guidance issued or effective during 2014 that is expected to have a material impact on our consolidated financial position, results of operations, or cash flows.

ITEM 7A — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this Item 7A is included in Note 8 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K, and under the caption “Market Risks and Foreign Currency Exposures” which is part of Management’s Discussion and Analysis included in Item 7 of this Annual Report on Form 10-K. Certain of our locations have assets and liabilities denominated in currencies other than their functional currencies. We enter into foreign currency forward exchange contracts to offset the transaction gains or losses associated with some of these assets and liabilities. For assets and liabilities without offsetting foreign currency forward exchange contracts, a 10 percent adverse change in the underlying foreign currency exchange rates would reduce our pre-tax income by approximately $5 million.

ITEM 8 — FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Responsibility Statement

The management of Bemis Company, Inc. is responsible for the integrity, objectivity, and accuracy of the financial statements of the Company. The financial statements are prepared by the Company in accordance with accounting principles generally accepted in the United States of America, and using management's best estimates and judgments, where appropriate. The financial information presented throughout this Annual Report on Form 10-K is consistent with that in the financial statements.

The management of Bemis Company, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the direction, supervision, and participation of the Chief Executive Officer and the Chief Financial Officer, the Company's management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO-Framework (2013)). Based on the results of this evaluation, management has concluded that internal control over financial reporting was effective as of December 31, 2014. Item 9A of this Annual Report on Form 10-K contains management's favorable assessment of internal controls over financial reporting based on their review and evaluation utilizing the COSO-Framework (2013) criteria.

The Audit Committee of the Board of Directors, which is composed solely of outside directors, meets quarterly with management, the Internal Audit Director, and independent accountants to review the work of each and to satisfy itself that the respective parties are properly discharging their responsibilities. PricewaterhouseCoopers LLP and the Internal Audit Director have had and continue to have unrestricted access to the Audit Committee, without the presence of Company management.

/s/ William F. Austen	/s/ Michael B. Clauer	/s/ Jerry S. Krempa
William F. Austen, President and Chief Executive Officer	Michael B. Clauer, Vice President and Chief Financial Officer	Jerry S. Krempa, Vice President and Controller

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Bemis Company, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Bemis Company, Inc. and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Milwaukee, Wisconsin

February 20, 2015

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BEMIS COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(in millions, except per share amounts)

For the years ended December 31,	2014	2013	2012
Net sales	$4,343.5	$4,476.6	$4,583.6
Cost of products sold	3,484.4	3,601.2	3,731.9
Gross profit	859.1	875.4	851.7
Operating expenses:			
Selling, general, and administrative expenses	416.6	448.5	454.2
Research and development	44.1	40.5	35.7
Facility consolidation and other costs	—	45.4	68.7
Other operating income	(9.3)	(9.2)	(15.2)
Operating income	407.7	350.2	308.3
Interest expense	60.8	68.2	70.9
Other non-operating income	(16.8)	(7.7)	(3.8)
Income from continuing operations before income taxes	363.7	289.7	241.2
Provision for income taxes	124.6	97.2	92.3
Income from continuing operations	239.1	192.5	148.9
(Loss) income from discontinued operations	(48.0)	20.1	24.9
Net income	$191.1	$212.6	$173.8
Basic earnings per share:			
Income from continuing operations	$2.39	$1.86	$1.43
(Loss) income from discontinued operations	(0.48)	0.20	0.24
Net income	$1.91	$2.06	$1.67
Diluted earnings per share:			
Income from continuing operations	$2.36	$1.85	$1.42
(Loss) income from discontinued operations	(0.47)	0.19	0.24
Net income	$1.89	$2.04	$1.66
Cash dividends paid per share	$1.08	$1.04	$1.00

See accompanying notes to consolidated financial statements.

BEMIS COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

For the years ended December 31,	2014	2013	2012
Net income	$191.1	$212.6	$173.8
Other comprehensive (loss) income:			
Unrecognized gain reclassified to earnings, net of tax	—	—	(0.1)
Translation adjustments	(129.4)	(88.5)	(48.3)
Pension and other postretirement liability adjustments, net of tax (a)	(48.3)	102.7	26.2
Reclassification from accumulated other comprehensive loss from discontinued operations to net income	(15.3)	—	—
Other comprehensive (loss) income	(193.0)	14.2	(22.2)
Total comprehensive (loss) income	$(1.9)	$226.8	$151.6

	2014	2013	2012
(a) - Tax benefit (expense) related to pension and other postretirement liability adjustments	$30.3	$(65.3)	$(9.2)

See accompanying notes to consolidated financial statements.

BEMIS COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions, except per share amounts)

As of December 31,	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$47.1	$141.7
Accounts receivable, net	566.1	615.4
Inventories	575.8	648.5
Prepaid expenses and other current assets	98.8	98.9
Total current assets	1,287.8	1,504.5
Property and equipment:		
Land and land improvements	61.5	73.7
Buildings and leasehold improvements	552.3	624.4
Machinery and equipment	1,696.5	1,841.0
Total property and equipment	2,310.3	2,539.1
Less accumulated depreciation	(1,167.4)	(1,254.8)
Net property and equipment	1,142.9	1,284.3
Other long-term assets:		
Goodwill	963.1	1,052.2
Other intangible assets, net	168.6	190.6
Deferred charges and other assets	52.7	78.6
Total other long-term assets	1,184.4	1,321.4
TOTAL ASSETS	$3,615.1	$4,110.2
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	$—	$0.2
Short-term borrowings	31.3	14.7
Accounts payable	272.4	362.8
Accrued salaries and wages	86.6	99.6
Accrued income and other taxes	23.3	32.3
Other current liabilities	67.8	92.3
Total current liabilities	481.4	601.9
Long-term debt, less current portion	1,315.9	1,421.4
Deferred taxes	223.4	269.8
Other liabilities and deferred credits	161.4	132.3
Total liabilities	2,182.1	2,425.4
Commitments and contingencies (See Note 19)		
EQUITY		
Bemis Company, Inc. shareholders’ equity:		
Common stock, $0.10 par value:		
Authorized — 500.0 shares		
Issued — 128.0 and 127.9 shares, respectively	12.8	12.8

Capital in excess of par value	559.7	548.1
Retained earnings	2,086.8	2,005.1
Accumulated other comprehensive loss	(291.7)	(98.7)
Common stock held in treasury (29.8 and 26.0 shares at cost, respectively)	(934.6)	(782.5)
TOTAL EQUITY	1,433.0	1,684.8
TOTAL LIABILITIES AND EQUITY	$3,615.1	$4,110.2

See accompanying notes to consolidated financial statements.

BEMIS COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

For the years ended December 31,	2014	2013	2012
Cash flows from operating activities:			
Net income	$191.1	$212.6	$173.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	180.6	190.3	204.3
Excess tax benefit from share-based payment arrangements	(0.7)	—	(0.6)
Share-based compensation	12.4	16.4	17.6
Deferred income taxes	(0.5)	2.0	8.7
Income of unconsolidated affiliated company	(1.7)	(3.1)	(2.6)
Cash dividends received from unconsolidated affiliated company	—	3.4	4.4
Non-cash impairment charge of discontinued operations	44.7	—	—
(Gain) loss on sale of property and equipment	(0.6)	0.6	1.7
Net facility consolidation and other costs	—	(15.5)	34.8
Gain on divestitures	(9.3)	(5.5)	—
Changes in operating assets and liabilities, excluding effect of acquisitions, divestitures, and currency:			
Accounts receivable	(68.9)	7.6	9.4
Inventories	(48.0)	(0.4)	(20.4)
Prepaid expenses and other current assets	(3.6)	3.6	23.8
Accounts payable	(15.4)	(10.2)	(28.4)
Accrued salaries and wages	15.3	(4.0)	12.6
Accrued income and other taxes	(3.7)	(2.9)	10.8
Other current liabilities	(25.9)	(0.1)	(30.5)
Other liabilities and deferred credits	(0.2)	(17.2)	4.3
Deferred charges and other assets	(17.5)	(4.4)	(2.4)
Net cash provided by operating activities	248.1	373.2	421.3
Cash flows from investing activities:			
Additions to property and equipment	(185.2)	(139.8)	(136.4)
Business acquisitions and adjustments, net of cash acquired	—	(59.7)	(19.1)
Proceeds from sales of property and equipment	10.1	13.7	4.7
Proceeds from divestitures	215.6	30.0	—
Net cash provided by (used in) investing activities	40.5	(155.8)	(150.8)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	199.4	—	—
Repayment of long-term debt	(400.2)	(7.4)	(321.7)
Net borrowing of commercial paper	76.8	35.1	157.3
Net borrowing (repayment) of short-term debt	21.1	(14.3)	7.6
Cash dividends paid to shareholders	(108.4)	(107.5)	(104.3)
Common stock purchased for the treasury	(152.1)	(77.3)	—
Deferred payments for business acquisitions	(6.6)	—	—
Excess tax benefit from share-based payment arrangements	0.7	—	0.6
Stock incentive programs and related withholdings	(1.5)	(13.3)	(5.2)
Net cash used in financing activities	(370.8)	(184.7)	(265.7)

Effect of exchange rates on cash and cash equivalents	(12.4)	(5.1)	(0.5)
Net (decrease) increase in cash and cash equivalents	(94.6)	27.6	4.3
Cash and cash equivalents balance at beginning of year	141.7	114.1	109.8
Cash and cash equivalents balance at end of year	$47.1	$141.7	$114.1
Interest paid during the year	$68.4	$66.5	$73.5
Income taxes paid during the year	$134.8	$121.9	$79.3

See accompanying notes to consolidated financial statements

BEMIS COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EQUITY
(in millions)

	Common Stock	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive (Loss)	Common Stock Held In Treasury	Total
Balance as of December 31, 2011	$12.7	$532.4	$1,832.9	$(90.7)	$(705.2)	$1,582.1
Net income			173.8			173.8
Other comprehensive loss				(22.2)		(22.2)
Cash dividends declared on common stock			(105.8)			(105.8)
Stock incentive programs and related tax withholdings (0.3 shares)		(5.2)				(5.2)
Excess tax benefit from share-based compensation arrangements		0.6				0.6
Share-based compensation		17.6				17.6
Balance as of December 31, 2012	12.7	545.4	1,900.9	(112.9)	(705.2)	1,640.9
Net income			212.6			212.6
Other comprehensive income				14.2		14.2
Cash dividends declared on common stock			(108.4)			(108.4)
Stock incentive programs and related tax withholdings (0.6 shares)	0.1	(13.4)				(13.3)
Tax shortfall expense from share-based compensation arrangements		(0.3)				(0.3)
Share-based compensation		16.4				16.4
Purchase of 2.0 shares of common stock for the treasury					(77.3)	(77.3)
Balance as of December 31, 2013	12.8	548.1	2,005.1	(98.7)	(782.5)	1,684.8
Net income			191.1			191.1
Other comprehensive loss				(193.0)		(193.0)
Cash dividends declared on common stock			(109.4)			(109.4)
Stock incentive programs and related tax withholdings (0.1 shares)		(1.5)				(1.5)
Excess tax benefit from share-based compensation arrangements		0.7				0.7
Share-based compensation		12.4				12.4
Purchase of 3.8 shares of common stock for the treasury					(152.1)	(152.1)
Balance as of December 31, 2014	$12.8	$559.7	$2,086.8	$(291.7)	$(934.6)	$1,433.0

See accompanying notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — BUSINESS DESCRIPTION

Bemis Company, Inc. (the "Company"), a Missouri corporation, was founded in 1858 and incorporated in 1885 as Bemis Bro. Bag Company. In 1965 the name was changed to Bemis Company, Inc. Based in Neenah, Wisconsin, the Company employs approximately 17,000 individuals and has 60 manufacturing facilities. The Company manufactures and sells packaging products globally.

The Company's business activities are organized around its two business segments, U.S. Packaging (66 percent of 2014 net sales) and Global Packaging (34 percent). The Company's packaging businesses have a strong technical base in polymer chemistry, film extrusion, coating, laminating, printing, and converting. The primary markets for the Company's products are in the food industry, which accounted for approximately 75 percent of net sales in 2014. The Company's packaging products are widely diversified among food categories and can be found in nearly every aisle of the grocery store. Other markets include chemical, agribusiness, medical, pharmaceutical, personal care products, electronics, automotive, construction, graphic industries, and other consumer goods. All markets are considered to be highly competitive as to price, innovation, quality, and service.

Note 2 — SIGNIFICANT ACCOUNTING POLICIES

Discontinued operations presentation: The consolidated statement of income and related notes have been recast from those presented in the previously filed Form 10-K to reflect our Pressure Sensitive Materials business as a discontinued operation (see Note 6 — Divestitures). The consolidated balance sheet at December 31, 2013 and related notes have not been recast to reflect the assets and liabilities divested. The consolidated statement of cash flows for all periods includes both continuing and discontinued operations.

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. All intercompany transactions and accounts have been eliminated. Joint ventures which are not majority controlled are accounted for by the equity method of accounting with earnings of $1.7 million, $3.1 million, and $2.6 million in 2014, 2013, and 2012, respectively, included in other operating income on the accompanying consolidated statement of income. Investments in joint ventures of $8.0 million and $7.7 million as of December 31, 2014 and 2013, respectively, are included in deferred charges and other assets on the accompanying consolidated balance sheet.

In connection with the implementation of an enterprise resource planning system during 2012, the Company recorded adjustments primarily to cost of goods sold during the fourth quarter in order to align the application of certain accounting practices among the business segments. These adjustments substantially offset one another in the Company's consolidated financial statements. The $2.1 million consolidated expense is disaggregated by reportable segment in Note 20.

Estimates and assumptions required: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Translation of foreign currencies: The Company considers the local currency to be the functional currency for substantially all foreign subsidiaries. Assets and liabilities are translated at the exchange rate as of the balance sheet date. All revenue and expense accounts are translated at average exchange rates in effect during the year. Translation gains or losses are recorded in the foreign currency translation component in accumulated other comprehensive loss in

shareholders' equity. Foreign currency transaction losses of $3.5 million, $2.6 million, and $1.7 million in 2014, 2013, and 2012, respectively, are included as a component of other operating income. There were no foreign currency transaction losses recorded within non-operating income in 2014, 2013 or 2012.

Revenue recognition: Sales and related costs of products sold are recognized when persuasive evidence of an arrangement exists, title and risk of ownership have been transferred to the customer, the sales price is fixed or determinable, and collectability is reasonably assured. These conditions are typically fulfilled upon shipment of products. All costs associated with revenue, including customer rebates and provisions for estimates of sales returns and allowances, are recognized as a deduction from revenue in the period in which the associated revenue is recorded. Customer rebates are accrued using sales data and rebate percentages specific to each customer agreement. Shipping and handling costs are classified as a component of

cost of products sold while amounts billed to customers for shipping and handling are classified as a component of sales. The Company accrues for estimated warranty costs when specific issues are identified and the amounts are determinable and also considers the history of actual claims paid. Taxes assessed by governmental authorities on revenue producing transactions, including sales, value added, excise and use taxes, are recorded on a net basis (excluded from revenue).

Environmental cost: The Company is involved in environmental-related litigation arising in the ordinary course of business. The Company accrues environmental costs when it is probable that these costs will be incurred and can be reasonably estimated. The Company's reserve for environmental liabilities at December 31, 2014 and 2013 was $6.1 million and $7.6 million, respectively. The Company made a favorable adjustment of $0.8 million in 2014 based on current estimates of liability. The Company made no other adjustments to the reserve accounts and costs which were directly expensed for environmental remediation matters resulted in charges to the income statements for each of the years 2014, 2013, and 2012. There were no third party reimbursements for any of the years presented.

Research and development: Research and development expenditures are expensed as incurred.

Facility consolidation and other costs: Facility consolidation and other costs are recognized when the liability is incurred. The Company calculates severance obligations based on its standard customary practices. Accordingly, the Company records provisions for severance when probable and estimable and the Company has committed to the facility consolidation plan. In the absence of a standard customary practice or established local practice for locations outside the U.S., liabilities for severance are recognized when incurred. If fixed assets are to be disposed of as a result of the Company's facility consolidation efforts, the assets are written off when the Company commits to dispose of them and they are no longer in use. Depreciation is accelerated on fixed assets for the period of time the asset continues to be used until the asset ceases to be used. Other facility consolidation costs, including costs to relocate equipment, are generally recorded as the service is provided.

Cash and cash equivalents: The Company considers all highly liquid temporary investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents include certificates of deposit that can be readily liquidated without penalty at the Company's option. Cash equivalents are carried at cost which approximates fair market value.

Accounts receivable: Trade accounts receivable are stated at the amount the Company expects to collect, which is net of an allowance for sales returns and the estimated losses resulting from the inability of its customers to make required payments. When determining the collectability of specific customer accounts, a number of factors are evaluated, including: customer creditworthiness, past transaction history with the customer, and changes in customer payment terms or practices. In addition, overall historical collection experience, current economic industry trends, and a review of the current status of trade accounts receivable are considered when determining the required allowance for doubtful accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to allowance for doubtful accounts. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts of $21.0 million and $30.7 million at December 31, 2014 and 2013, respectively.

The Company enters into supply chain financing programs from time to time to sell accounts receivables without recourse to third-party financial institutions. Sales of accounts receivable are reflected as a reduction of accounts receivable on the consolidated balance sheets and the proceeds are included in the cash flows from operating activities in the consolidated statements of cash flows. During the year ended December 31, 2014, the Company sold without recourse accounts receivable representing approximately five percent of net sales, and the associated discount on sale of accounts receivables was insignificant.

Inventory valuation: Inventories are valued at the lower of cost, as determined by the first-in, first-out (FIFO) method, or market. Inventory values using the FIFO method of accounting approximate replacement cost. Inventories are summarized at December 31, as follows:

(in millions)	2014	2013
Raw materials and supplies	$193.9	$215.6
Work in process and finished goods	381.9	432.9
Total inventories	$575.8	$648.5

Property and equipment: Property and equipment are stated at cost. Maintenance and repairs that do not improve efficiency or extend economic life are expensed as incurred. Plant and equipment are depreciated for financial reporting purposes principally using the straight-line method over the estimated useful lives of assets as follows: land improvements, 15-30 years; buildings, 15-45 years; leasehold and building improvements, the lesser of the lease term or 8-20 years; and machinery and equipment, 3-16 years. For tax purposes, the Company generally uses accelerated methods of depreciation. The tax effect of the difference between book and tax depreciation has been provided as deferred income taxes. Depreciation expense was $154.6 million, $162.2 million, and $175.5 million for 2014, 2013, and 2012, respectively. On sale or retirement, the asset cost and related accumulated depreciation are removed from the accounts and any related gain or loss is reflected in income. Interest costs, which are capitalized during the construction of major capital projects, totaled $0.2 million in 2014, $0.3 million in 2013, and $0.1 million in 2012.

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value.

The Company capitalizes direct costs (internal and external) of materials and services used in the development and purchase of internal-use software. Amounts capitalized are amortized on a straight-line basis over a period of three to twelve years and are reported as a component of machinery and equipment within property and equipment.

The Company is in the process of developing and implementing a new Enterprise Resource Planning ("ERP") system. Certain costs incurred during the application development stage have been capitalized in accordance with authoritative accounting guidance related to accounting for costs of computer software developed or obtained for internal use. The net book value of capitalized costs for this new ERP system were approximately $69.9 million and $74.3 million as of December 31, 2014 and 2013, respectively. These costs are being amortized over the system's estimated useful life as the ERP system is placed in service.

Goodwill: Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. Goodwill is not amortized, but instead tested annually or when events and circumstances indicate an impairment may have occurred. The Company's reporting units each contain goodwill that is assessed for potential impairment. All goodwill is assigned to reporting units, which is defined as the operating segment, or one level below the operating segment. The Company has three reporting units, of which two are included in the Global Packaging reportable segment. The other reporting unit is the U.S. Packaging segment.

Goodwill for the reporting units is reviewed for impairment annually in the fourth quarter of each year using a two-step process. In the first step, the fair value of each reporting unit is compared to its carrying value, including goodwill. The determination of the estimated fair value of the reporting units utilizes both a discounted cash flow valuation and a market multiple method. Significant inputs to the discounted cash flow valuation method include discount rates, long-term sales growth rates and forecasted operating margins. The market multiple method estimates fair value by comparing the Company to similar public companies. If the fair value exceeds the carrying value, step two is not required and an impairment loss is not recognized. If step two were required, the implied fair value of goodwill would be calculated by deducting the fair value of all tangible and intangible net assets, including unrecognized intangible assets, of the reporting unit from the fair value of the reporting unit. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment loss would be recognized equal to the difference.

Current accounting guidance allows the Company to first perform a qualitative assessment about the likelihood of the carrying value of a reporting unit exceeding its fair value, referred to as the "Step 0" assessment. The Step 0 assessment requires the evaluation of certain qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance, as well as company and reporting unit factors. If

the Company's Step 0 analysis indicates that it is more likely than not that the fair value of a reporting unit is less than the carrying amount, then the Company would perform a quantitative two-step impairment test. The Company applied the Step 0 assessment to the U.S. Packaging reporting unit in 2014 and concluded that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount. Therefore, the two-step goodwill impairment test for this reporting unit was not necessary in 2014.

The annual impairment test indicated no impairment for the years ended December 31, 2014, 2013, or 2012, nor does the Company have any accumulated impairment losses.

Intangible assets: Contractual or separable intangible assets that have finite useful lives are amortized against income using the straight-line method over their estimated useful lives, with original periods ranging from one to thirty years. The straight-line method of amortization reflects an appropriate allocation of the costs of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. The Company tests finite-lived intangible assets for impairment whenever there is an impairment indicator. Intangible assets are tested for impairment by comparing anticipated undiscounted future cash flows from operations to net book value.

Financial instruments: The Company recognizes all derivative instruments on the balance sheet at fair value. Derivatives not designated as hedging instruments are adjusted to fair value through income. Depending on the nature of derivatives designated as hedging instruments, changes in the fair value are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in shareholders' equity through other comprehensive income until the hedged item is recognized. Gains or losses, if any, related to the ineffective portion of any hedge are recognized through earnings in the current period.

Note 8 contains expanded details relating to specific derivative instruments included on the Company's balance sheet, such as forward foreign currency exchange contracts, currency swap contracts, and interest rate swap arrangements.

Other liabilities and deferred credits: Other liabilities and deferred credits balances include non-current pension and other postretirement liability amounts of $102.4 million and $54.7 million at December 31, 2014 and 2013, respectively.

Treasury stock: Treasury stock purchases are stated at cost and presented as a separate reduction of shareholders' equity. During 2014, the Company purchased 3.8 million shares of common stock in the open market for $152.1 million. During 2013, the Company purchased 2.0 million shares of common stock in the open market for $77.3 million. The Company did not purchase any shares of common stock during 2012. At December 31, 2014, approximately 6.7 million common shares can be repurchased, at management's discretion, under authority granted by the Company's Board of Directors in 2014.

Note 3 — NEW ACCOUNTING GUIDANCE

In May 2014, the Financial Accounting Standards Board ("FASB") issued new guidance which supersedes current revenue recognition requirements. This guidance is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is required to be applied by the Company in the first quarter of fiscal 2017 using one of two retrospective application methods. The Company is currently evaluating the application methods and the impact of this new statement on the Company's consolidated financial position, results of operations, and cash flows.

In April 2014, the FASB issued new guidance that redefines a discontinued operation as a component or group of components that has been disposed of or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's financial results. Continuing involvement will no longer preclude presentation as a discontinued operation. The guidance is required to be applied by the Company prospectively to new disposals and new classifications of disposal groups as held for sale beginning in fiscal 2015. While early adoption is permitted, the Company did not early adopt this guidance for its divestiture of its Pressure Sensitive Materials business. The Company does not expect the adoption of this standard will have a material impact on the consolidated financial statements.

Note 4— FACILITY CONSOLIDATION AND OTHER COSTS

2011 Program

During the fourth quarter of 2011, the Company initiated a facility consolidation and other costs program ("2011 Program") to improve efficiencies and reduce fixed costs. As a part of this program, the Company announced the closure of five facilities. As of December 31, 2013, manufacturing operations had ceased at all of these manufacturing facilities. Most of the production from these five facilities has been transferred to other facilities. The total 2011 Program costs were $97.2 million, including $33.4 million in employee costs, $34.7 million in fixed asset accelerated depreciation and write-downs, and $29.1 million in other facility consolidation costs. These amounts exclude any potential gain to be recognized on the sale of property. The 2011 Program costs by reportable segment follow:

(in millions)	U.S. Packaging	Global Packaging	Corporate	Total Facility Consolidation and Other Costs
2011 net expense accrued	$26.3	$8.6	$0.8	$ 35.7
2012 net expense accrued	29.4	5.0	—	34.4
2013 net expense accrued	27.1	—	—	27.1
Expense incurred through December 31, 2013	$82.8	$13.6	$0.8	$ 97.2

2012 Program

During the second quarter of 2012, the Company expanded its facility consolidation and other costs program ("2012 Program") to further improve efficiencies and reduce costs within its U.S. and Global Packaging segments. As a part of this program, the Company announced the closure of an additional four production locations, including three facilities outside of the U.S., and the relocation of the majority of the production to other facilities. As of December 31, 2013, manufacturing operations had ceased at all of these manufacturing facilities. The total 2012 Program costs of $52.6 million included $21.9 million in employee-related costs, $16.5 million in fixed asset accelerated depreciation and write-downs, and $14.2 million in other facility consolidation costs. The 2012 Program costs by reportable segment follow:

(in millions)	U.S. Packaging	Global Packaging	Total Facility Consolidation and Other Costs
2012 net expense accrued	$ 12.7	$21.6	$34.3
2013 net expense accrued	17.9	0.4	18.3
Expense incurred through December 31, 2013	$ 30.6	$22.0	$52.6

Cash payments for these facility consolidation programs in 2013 and 2012 totaled $51.6 million and $35.2 million, respectively. Cash payments in 2013 were net of proceeds of $9.8 million received for the sale of property and equipment. Cash payments in 2014 were minimal, and exclude the impact of proceeds on sale of property. The costs related to facility consolidation activities have been recorded on the consolidated statement of income as facility consolidation and other costs.

Note 5 — ACQUISITIONS

Foshan New Changsheng Plastics Films

On July 1, 2013, Bemis acquired Foshan New Changsheng Plastics Films Co., LTD ("Foshan"), a specialty film manufacturer located in Foshan, China. Foshan is a supplier to the Company's food packaging plant in Dongguan, China and other specialty film product customers. The acquisition of this film platform is expected to provide cost and logistics benefits to support the Company's broader Asia-Pacific growth strategy. The cash purchase price was $75.6 million, of which $65.3 million was paid in 2013 and $6.6 million was paid in 2014. The remaining balance will be paid during 2015. The allocation of the purchase price resulted in approximately $47.4 million of goodwill for the Global Packaging segment, none of which is expected to be tax deductible. The fair values and weighted average useful lives that have been assigned to the acquired identifiable intangible assets of this acquisition are:

(in millions, except useful lives)	Fair Value	Weighted Average Useful Life (years)
Customer relationships	$8.3	9
Land-use rights	4.4	43
Other intangible assets	0.4	2

The fair value of assets and liabilities acquired was $111.0 million and $35.4 million, respectively. Pro forma financial information and allocation of the purchase price are not presented as the effects of this acquisition is not material to the Company's results of operations or financial position.

Australia and New Zealand Distributors

On August 22, 2012, the Company acquired two flexible packaging businesses in Australia and New Zealand. The acquisition of these businesses supports the Company’s strategy to enhance its presence in the Asia-Pacific region. The combined purchase price of approximately $18.4 million was financed with commercial paper. Pro forma results of operations and other disclosures for the acquisitions noted above have not been presented, as they were immaterial to the reported results.

Note 6 — DIVESTITURES

Divestiture of Pressure Sensitive Materials Business

On November 7, 2014, the Company completed the sale its global Pressure Sensitive Materials business. Net proceeds of the transaction totaled $136.9 million, subject to settlement of customary post-closing adjustments in 2015. At September 30, 2014, the Company determined that the Pressure Sensitive Materials business met the criteria to be classified as a discontinued operation, which required retrospective application to certain financial information for all periods presented. The assets and liabilities of the Pressure Sensitive Materials business were reflected as held for sale in the consolidated balance sheet at September 30, 2014.
The following table summarizes the results of the Pressure Sensitive Materials business, reclassified as discontinued operations for the twelve month periods ended December 31, 2014, 2013, and 2012:

	Twelve Months Ended December 31,		
(in millions)	2014	2013	2012
Net sales	$480.9	$553.2	$555.6
(Loss) income from discontinued operations before income taxes	$(39.4)	$30.6	$37.4
Provision for income taxes on discontinued operations	8.6	10.5	12.5
(Loss) income from discontinued operations, net of tax	$(48.0)	$20.1	$24.9

(Loss) income from discontinued operations includes the operating results of our Pressure Sensitive Materials business, goodwill impairment charges, direct transaction costs associated with the divestiture, and plant closure costs associated with the Stow, Ohio plant.
Assets and liabilities classified as held for sale are required to be recorded at the lower of carrying value or fair value less costs to sell. Accordingly, the Company recorded goodwill impairment charges of $44.7 million in the third quarter of 2014 when it became apparent the business would sell for less than its carrying value. There were no indicators of impairment prior to the third quarter of 2014.
In March 2014, the Company announced the closure of its plant in Stow, Ohio, one of its Pressure Sensitive Materials manufacturing facilities. Operations ceased at this location in May 2014. During the twelve months ended December 31, 2014, plant closure costs of $25.0 million were recorded and approximately $20.8 million of cash payments were made. These costs are included within (loss) income from discontinued operation and included a final withdrawal payment for a multi-employer pension plan.

Divestiture of Paper Packaging Division

On March 31, 2014, the Company completed the sale of its Paper Packaging Division. Annual net sales by this division were approximately $160 million. Net proceeds of the transaction totaled $78.7 million. A $9.3 million pre-tax gain on the sale was recorded as part of other non-operating income for the twelve months ended December 31, 2014.

Divestiture of Clysar

On May 29, 2013, the Company completed the sale of its Clysar thin gauge shrink film plant. Annual net sales of Clysar films were approximately $70 million and were sold primarily through distributors. A $5.5 million pre-tax gain on the sale was recorded as part of other non-operating income for the twelve months ended December 31, 2013. Net proceeds of the transaction totaled $30.0 million.

Note 7 — FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

The fair values of the Company's financial assets and financial liabilities listed below reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price).

The Company's non-derivative financial instruments include cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings, and long-term debt. At December 31, 2014 and 2013, the carrying value of these financial instruments, excluding long-term debt, approximates fair value because of the short-term maturities of these instruments.

Fair value disclosures are classified based on the fair value hierarchy. Level 1 fair value measurements represent exchange-traded securities which are valued at quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date. Level 2 fair value measurements are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Level 3 fair value measurements are determined using unobservable inputs, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

The fair value measurements of the Company's long-term debt represent non-active market exchange-traded securities which are valued at quoted prices or using input prices that are directly observable or indirectly observable through corroboration with observable market data. The carrying values and estimated fair values of long-term debt at December 31, 2014 and 2013 follow:

	December 31, 2014		December 31, 2013	
(in millions)	Carrying Value	Fair Value (Level 2)	Carrying Value	Fair Value (Level 2)
Total long-term debt	$1,315.9	$1,410.9	$1,421.4	$1,520.1

The fair values for derivatives are based on inputs other than quoted prices that are observable for the asset or liability. These inputs include interest rates. The financial assets and financial liabilities are primarily valued using standard calculations / models that use as their basis readily observable market parameters. Industry standard data providers are the primary source for forward and spot rate information for both interest rates and currency rates, with resulting valuations periodically validated through third-party or counterparty quotes. The fair value of the Company's derivatives follow:

(in millions)	Fair Value As of December 31, 2014 (Level 2)	Fair Value As of December 31, 2013 (Level 2)
Interest rate swaps — net asset (liability) position	$1.0	$(20.2)

Note 8 — DERIVATIVE INSTRUMENTS

The Company enters into derivative transactions to manage exposures arising in the normal course of business. The Company does not enter into derivative transactions for speculative or trading purposes. The Company recognizes all derivative instruments on the balance sheet at fair value. Derivatives not designated as hedging instruments are adjusted to fair value through income. Depending on the nature of derivatives designated as hedging instruments, changes in the fair value are either offset against the change in fair value of the hedged assets, liabilities, or firm

commitments through earnings or recognized in shareholders' equity through other comprehensive income until the hedged item is recognized. Gains or losses, if any, related to the ineffective portion of any hedge are recognized through earnings in the current period.

The Company enters into interest-rate swap contracts to economically convert a portion of the Company’s fixed-rate debt to variable rate debt. During the fourth quarter of 2011, the Company entered into four interest rate swap agreements with a total notional amount of $400 million. These contracts were designated as fair value hedges of the Company’s $400 million 4.5% fixed-rate debt due in 2021. The variable rate for each of the interest rate swaps is based on the six-month London Interbank Offered Rate (LIBOR), set in arrears, plus a fixed spread. The variable rates are reset semi-annually at each net settlement date. Fair values of these interest rate swaps are determined using discounted cash flow or other appropriate

methodologies. Asset positions are included in deferred charges and other assets with a corresponding increase in long-term debt. Liability positions are included in other liabilities and deferred credits with a corresponding decrease in long-term debt.

The Company enters into forward exchange contracts to manage foreign currency exchange rate exposures associated with certain foreign currency denominated receivables and payables. Forward exchange contracts generally have maturities of less than six months and relate primarily to major Western European currencies for the Company's European operations, the U.S. dollar for the Company's Brazilian operations, and the U.S. and Australian dollars for the Company's New Zealand and Australian operations. The Company has not designated these derivative instruments as hedging instruments. At December 31, 2014, and 2013, the Company had outstanding forward exchange contracts with notional amounts aggregating $2.3 and $5.5 million, respectively. The net settlement amount (fair value) related to active forward exchange contracts is recorded on the balance sheet as either a current or long-term asset or liability and as an element of other operating income which offsets the related transaction gains or losses. The net settlement amounts were immaterial for all periods presented.

The Company is exposed to credit loss in the event of non-performance by counterparties in forward exchange contracts and interest-rate swap contracts. Collateral is generally not required of the counterparties or of the Company. In the event a counterparty fails to meet the contractual terms of a currency swap or forward exchange contract, the Company's risk is limited to the fair value of the instrument. The Company actively monitors its exposure to credit risk through the use of credit approvals and credit limits, and by selecting major international banks and financial institutions as counterparties. The Company has not had any historical instances of non-performance by any counterparties, nor does it anticipate any future instances of non-performance.

The fair values, balance sheet presentation, and the hedge designation status of derivative instruments at December 31, 2014 and 2013 are presented in the table below:

(in millions)	Balance Sheet Location	Fair Value (Level 2) as of December 31, 2014	December 31, 2013
Asset Derivatives			
Interest rate swaps — designated as hedge	Deferred charges and other assets	$1.0	$—
Liability Derivatives			
Interest rate swaps — designated as hedge	Other liabilities and deferred credits	—	20.2

The income statement impact of derivatives are presented in the table below:

		Amount of Gain (Loss) Recognized in Income on Derivatives		
(in millions)	Income Statement Location	2014	2013	2012
Designated as hedges				
Interest rate swaps	Interest expense	$8.2	$8.1	$7.0
Not designated as hedges				
Forward exchange contracts	Other operating income	(0.4)	0.1	0.8
Total		$7.8	$8.2	$7.8

Note 9 — GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of goodwill attributable to each reportable business segment follow:

(in millions)	U.S. Packaging Segment	Global Packaging Segment	Pressure Sensitive Materials Segment	Total
Reported balance at December 31, 2012	$637.8	$343.9	52.6	$1,034.3
Acquisition and acquisition adjustments	—	47.1	—	47.1
Divestiture	(4.7)	—	—	(4.7)
Currency translation	(0.8)	(23.7)	—	(24.5)
Reported balance at December 31, 2013	632.3	367.3	52.6	1,052.2
Reclassification	12.8	(12.8)		—
Non-cash impairment charge of discontinued operations	—	—	(44.7)	(44.7)
Divestitures	(10.1)	—	(7.8)	(17.9)
Currency translation	(1.0)	(25.4)	(0.1)	(26.5)
Reported balance at December 31, 2014	$634.0	$329.1	$—	$963.1

The components of amortized intangible assets follow:

	December 31, 2014		December 31, 2013	
(in millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Contract based	$10.7	$(1.2)	$26.2	$(14.4)
Technology based	81.0	(43.9)	82.6	(40.9)
Marketing related	16.3	(9.1)	23.0	(14.2)
Customer based	188.4	(73.6)	200.1	(71.8)
Reported balance	$296.4	$(127.8)	$331.9	$(141.3)

Amortization expense for intangible assets during 2014, 2013, and 2012 was $15.4 million, $15.5 million, and $17.8 million, respectively. Estimated annual amortization expense is $15.4 million for 2015, $15.2 million for 2016, 2017 and 2018, and $14.9 million for 2019.

The Company recorded an impairment at September 30, 2014 to adjust the Pressure Sensitive Materials net assets to fair value less costs to sell. The Company completed its annual impairment tests in the fourth quarter of 2014 with no other indications of impairment of goodwill found. The Company does not have any accumulated impairment losses.

Note 10 — PENSION PLANS

Total defined benefit, defined contribution, and multiemployer plan pension expense in 2014, 2013, and 2012 was $37.2 million, $53.2 million, and $68.7 million, respectively.

The Company sponsors a 401(k) savings plan (a defined contribution plan) for substantially all U.S. employees. Through December 31, 2013, the Company contributed $0.50 for every pre-tax $1.00 an employee contributed on the first two percent of eligible compensation plus $0.25 for every pre-tax $1.00 an employee contributed on the next six percent of eligible compensation for the plans that include a company match. Effective January 1, 2014 the Company contributes $0.50 for every pre-tax $1.00 an employee contributes on the first four percent of eligible compensation plus $0.25 for every pre-tax $1.00 an employee contributes on the next four percent of eligible compensation for the plans that include a company match. The Company contributions are invested in Company stock and are fully vested after three years of service. Total Company contributions for 2014, 2013, and 2012 were $10.6 million, $9.0 million, and $8.9 million, respectively.

Effective January 1, 2006, the Company’s U.S. defined benefit pension plans were amended for approximately two-thirds of the participant population, and effective January 1, 2014, two of the Company's three U.S. defined benefit plans were frozen. Further benefit accruals for all persons entitled to benefits under these two plans were frozen as of December 31, 2013. The Company recorded a plan curtailment of $32.6 million related to the amendments, and the actuarial gain recorded in 2013 was also impacted by the freeze. (Refer to the "Change in Benefit Obligation Table".) For those employees impacted, future pension benefits were replaced with the Bemis Investment Profit Sharing Plan (BIPSP), a defined contribution plan which is subject to achievement of certain financial performance goals of the Company. Total contribution expense for BIPSP and other defined contribution plans (including a multiemployer defined contribution plan) was $16.5 million in 2014, $18.9 million in 2013, and $10.7 million in 2012. Defined benefit multiemployer plans covered employees at two manufacturing locations and provided for contributions to union administered defined benefit pension plans during the year. One of the plans covered employees at a facility that was closed during the year. Amounts contributed to the multiemployer plans in 2014, 2013, and 2012 totaled $0.7 million, $1.0 million, and $1.3 million, respectively.

The Company’s defined benefit pension plans continue to cover a number of U.S. hourly employees, and the non-U.S. defined benefit plans cover select employees at various international locations. The benefits under the plans are based on years of service and salary levels. Certain plans covering hourly employees provide benefits of stated amounts for each year of service. In October 2014, the Society of Actuaries released final reports of new mortality tables and a mortality improvement scale for measurement of retirement program obligations in the U.S. The Company has adopted these tables in measuring defined benefit plan liabilities in 2014. In addition, the Company also sponsors an unfunded supplemental retirement plan to provide senior management with benefits in excess of limits under the federal tax law and increased benefits to reflect a service adjustment factor.

Net periodic pension cost for defined benefit plans included the following components for the years ended December 31, 2014, 2013, and 2012:

(in millions)	2014	2013	2012
Service cost - benefits earned during the year	$7.5	$14.0	$14.7
Interest cost on projected benefit obligation	34.0	32.5	33.7
Expected return on plan assets	(47.9)	(48.1)	(43.5)
Settlement loss	1.8	0.4	12.7
Curtailment loss (gain)	0.6	(0.4)	—
Amortization of unrecognized transition obligation	0.2	0.2	0.2
Amortization of prior service cost	1.4	1.8	1.5
Recognized actuarial net loss	11.8	23.9	28.5

Net periodic pension cost	$9.4	$24.3	$47.8

In 2012, the Company recognized a $12.7 million pension settlement charge related to its supplemental pension plan. The supplemental pension plan provides for a lump sum payment option at the time of retirement. The Company recognizes pension settlements when payments exceed the sum of service and interest cost components of net periodic pension cost of the plan for the fiscal year.

Changes in benefit obligations and plan assets, and a reconciliation of the funded status at December 31, 2014 and 2013, were as follows:

	U.S. Pension Plans		Non-U.S. Pension Plans	
(in millions)	2014	2013	2014	2013
Change in Benefit Obligation:				
Benefit obligation at the beginning of the year	$641.4	$750.4	$83.4	$80.4
Service cost	4.9	11.2	2.6	2.8
Interest cost	30.7	29.5	3.3	3.0
Participant contributions	—	—	0.3	0.4
Plan amendments	0.1	0.5	—	—
Plan settlements	—	—	(0.7)	(4.2)
Plan curtailments	(0.5)	(32.6)	(0.4)	(0.9)
Benefits paid	(36.0)	(29.5)	(4.0)	(2.1)
Actuarial loss (gain)	134.0	(88.1)	8.4	1.9
Divestitures	—	—	(21.1)	—
Foreign currency exchange rate changes	—	—	(5.9)	2.1
Benefit obligation at the end of the year	$774.6	$641.4	$65.9	$83.4
Accumulated benefit obligation at the end of the year	$774.6	$641.4	$58.5	$68.5

	U.S. Pension Plans		Non-U.S. Pension Plans	
(in millions)	2014	2013	2014	2013
Change in Plan Assets:				
Fair value of plan assets at the beginning of the year	$627.2	$555.3	$67.2	$63.3
Actual return on plan assets	88.6	65.2	4.0	5.5