GOLDSTEIN PHILLIP
Form DFAN14A
June 06, 2006

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant []

Filed by a party other than the Registrant [X]

Check the appropriate box:

[] Preliminary proxy statement.

[] Definitive proxy statement.

[X] Definitive additional materials.

[ ] Soliciting material under Rule 14a-12.

[ ] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).

THE NEW GERMANY FUND, INC.

(Name of Registrant as Specified in Its Charter)

PHILLIP GOLDSTEIN

Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

[X] No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

Opportunity Partners L.P., 60 Heritage Drive, Pleasantville, NY 10570
(914) 747-5262 // Fax: (914) 747-5258//oplp@optonline.net

June 8, 2006

DON?T FALL FOR MANAGEMENT?S SCARE TACTICS

Deutsche Investment Management (?Deutsche?), the manager of The New Germany Fund would like you to believe that you will be giving up ?continued long term investment gains? of 50% per year if the Fund open-ends. That is nonsense. First of all, you can hold your shares of any open-end fund as long as you want. Second, just because German small cap stocks have performed well recently does not mean the good times will last forever. Management seems to have forgotten that the Fund?s market price declined a staggering 65% between 2000 and 2002 but we haven?t ? and there is no guarantee it will not happen again.

Nobody knows what the future will bring. However, we agree with management that the best gauge of what to expect in the future is to look at the Fund?s long-term performance. Yet management never actually says what it is. The secret is now out -- 4.17% per year over more than 16 years! Management calls that ?outstanding? performance. Add in extreme volatility, e.g., back-to-back years in which the market price declined more than 30% each year and you might think of another word to characterize the Fund?s long-term performance.

In any event, one thing that is certain is that whether the market goes up or down, open-ending permanently eliminates the discount and that benefits all shareholders. However, open-ending also means lower management fees for Deutsche Investment Management (?Deutsche?), the Fund?s investment manager. That is why Deutsche is spending so much of your money to bombard shareholders with letters and phone calls laced with hyperbolic warnings of disaster if the Fund open-ends.

Ultimately, your choice is a simple one. If you care about preserving Deutsche?s management fees, you should vote for management and hope Deutsche can deliver on its promise of ?continued long term investment gains? of 50% per year. On the other hand, if you are realists like us and you want the certainty of permanently eliminating the discount, you need to vote the GREEN proxy card now at WWW.PROXYVOTE.COM or by telephone at 1-800-454-8683. Alternatively, you can mail the GREEN proxy card in the enclosed envelope but please do it today. Thank you.

Very truly yours,

Phillip Goldstein
Fellow GF Shareholder

nbsp;

Profit (loss) before income tax	**(53)**	**(25)**	**(95)**	**26**	**48**	**(99)**
Income tax benefit (expense)	(1)	8	41	(3)		45
Profit (loss) for the period	**(54)**	**(17)**	**(54)**	**23**	**48**	**(54)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of financial position

	Balance as of December 31, 2011 (In $ million)					
	Parent	**Reynolds Issuers**	**Other guarantor entities**	**Non-guarantor entities**	**Adjustments and eliminations**	**Consolidated**
Assets						
Cash and cash equivalents			461	136		597
Trade and other receivables	5		1,258	243		1,506
Inventories			1,572	201		1,773
Intra-group receivables		234		33	(267)	
Other assets			146	32		178
Total current assets	**5**	**234**	**3,437**	**645**	**(267)**	**4,054**
Investments in subsidiaries, associates and joint ventures (equity method)			1,282	118	(1,281)	119
Property, plant and equipment			3,887	648		4,535
Investment properties			29			29
Intangible assets			12,144	387		12,531
Intra-group receivables	16	10,042	275	1,173	(11,506)	
Other assets	271	116	190	43		620
Total non-current assets	**287**	**10,158**	**17,807**	**2,369**	**(12,787)**	**17,834**
Total assets	**292**	**10,392**	**21,244**	**3,014**	**(13,054)**	**21,888**
Liabilities						
Trade and other payables	11	236	1,256	255		1,758
Borrowings	1		503	17		521
Intra-group payables			267		(267)	
Other liabilities	4		460	64		528
Total current liabilities	**16**	**236**	**2,486**	**336**	**(267)**	**2,807**
Borrowings		9,993	5,491	1,141		16,625
Intra-group liabilities	475	23	11,231	252	(11,981)	
Other liabilities			2,511	122		2,633
Total non-current liabilities	**475**	**10,016**	**19,233**	**1,515**	**(11,981)**	**19,258**

Total liabilities	**491**	**10,252**	**21,719**	**1,851**	**(12,248)**	**22,065**
Net assets (liabilities)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**
Equity						
Equity attributable to equity holder of the Group	(199)	140	(475)	1,163	(828)	(199)
Non-controlling interests					22	22
Total equity (deficit)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**

F-41

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of cash flows

	For the three month period ended March 31, 2011					
	Parent	**Reynolds Issuers**	**Other guarantor entities**	**Non-guarantor entities**	**Adjustments and eliminations**	**Consolidated**
				(In $ million)		
Net cash from operating activities			**135**	**34**		**169**
Net cash from investing activities		**(1,971)**	**(89)**	**2**	**1,959**	**(99)**
Included in investing activities:						
Acquisition of property, plant and equipment and investment properties			(92)	(9)		(101)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			2			2
Net related party (advances) repayments		(1,971)	3	9	1,959	
Net cash from financing activities		**1,971**	**443**	**(5)**	**(1,959)**	**450**
Included in financing activities:						
Drawdown of loans and borrowings		2,000	2,676			4,676
Repayment of loans and borrowings			(4,168)	(1)		(4,169)
Net related party borrowings (repayments)			1,962	(3)	(1,959)	
Payment of transaction costs		(29)	(27)			(56)

21. Subsequent events

There have been no events subsequent to March 31, 2012 which would require accrual or disclosure in these financial statements.

Table of Contents

Reynolds Group Holdings Limited

Financial statements for the period ended

December 31, 2011

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors of Reynolds Group Holdings Limited:

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Reynolds Group Holdings Limited and its subsidiaries (the Company) at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
March 28, 2012

Table of Contents

Reynolds Group Holdings Limited

Statements of comprehensive income

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Revenue	7	11,789	6,774	5,910
Cost of sales	*	(9,725)	(5,524)	(4,691)
Gross profit		**2,064**	**1,250**	**1,219**
Other income	8	87	102	201
Selling, marketing and distribution expenses	*	(347)	(231)	(211)
General and administration expenses	*	(628)	(392)	(366)
Other expenses	10	(268)	(80)	(96)
Share of profit of associates and joint ventures, net of income tax	23	17	18	11
Profit from operating activities		**925**	**667**	**758**
Financial income	12	22	66	21
Financial expenses	12	(1,420)	(752)	(513)
Net financial expenses		(1,398)	(686)	(492)
Income (loss) before income tax		**(473)**	**(19)**	**266**
Income tax benefit (expense)	13	56	(78)	(149)
Profit (loss) for the period		**(417)**	**(97)**	**117**
Other comprehensive income (loss) for the period, net of income tax				
Cash flow hedges				12
Exchange differences on translating foreign operations		(22)	243	(29)
Transfers from foreign currency translation reserve to profit and loss			49	
Total other comprehensive income (loss) for the period, net of income tax	14	(22)	292	(17)
Total comprehensive income (loss) for the period		**(439)**	**195**	**100**
Profit (loss) attributable to:				
Equity holder of the Group		(419)	(97)	117
Non-controlling interests		2		

	(417)	**(97)**	**117**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group	(21)	293	(17)
Non-controlling interests	(1)	(1)	
	(22)	**292**	**(17)**

* For information on expenses by nature, refer to notes 9, 11, 16, 18, 19, 22, and 34.

The statements of comprehensive income should be read in conjunction with the notes to the financial statements.

Table of Contents

Reynolds Group Holdings Limited
Statements of financial position

	Note	As of December 31, 2011	2010
		(In $ million)	
Assets			
Cash and cash equivalents	15	597	664
Trade and other receivables	16	1,506	1,150
Inventories	18	1,773	1,281
Current tax assets	21	39	109
Assets held for sale	17	70	18
Derivatives	29	1	12
Other assets		68	62
Total current assets		**4,054**	**3,296**
Non-current receivables	16	321	303
Investments in associates and joint ventures	23	119	110
Deferred tax assets	21	27	23
Property, plant and equipment	19	4,535	3,266
Investment properties	20	29	68
Intangible assets	22	12,531	8,748
Derivatives	29	122	87
Other assets		150	75
Total non-current assets		**17,834**	**12,680**
Total assets		**21,888**	**15,976**
Liabilities			
Bank overdrafts		3	12
Trade and other payables	24	1,758	1,246
Liabilities directly associated with assets held for sale	17	20	
Borrowings	25	521	141
Current tax liabilities	21	164	146
Derivatives	29	16	1
Employee benefits	26	227	195
Provisions	27	98	74
Total current liabilities		**2,807**	**1,815**
Non-current payables	24	33	9
Borrowings	25	16,625	11,701
Deferred tax liabilities	21	1,539	1,130
Employee benefits	26	934	971
Provisions	27	127	86

Total non-current liabilities		**19,258**	**13,897**
Total liabilities		**22,065**	**15,712**
Net assets (liabilities)		**(177)**	**264**
Equity (deficit)			
Share capital	28	1,695	1,695
Reserves	28	(1,213)	(1,192)
Accumulated losses		(681)	(262)
Equity (deficit) attributable to equity holder of the Group		**(199)**	**241**
Non-controlling interests		22	23
Total equity (deficit)		**(177)**	**264**

The statements of financial position should be read in conjunction with the notes to the financial statements.

Table of Contents

Reynolds Group Holdings Limited

Statements of changes in equity

	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Accumulated losses	Equity (deficit) attributable to equity holder of the group	Non-controlling interests	Total
					(In $ million)				
Balance at the beginning of the period (January 1, 2009)		1,092	105	71	(12)	(246)	**1,010**	17	**1,027**
Issue of shares (net of issue costs)	28	1,670					**1,670**		**1,670**
Total comprehensive income for the period:									
Profit after tax						117	**117**		**117**
Exchange differences on translating foreign operations			(29)				**(29)**		**(29)**
Cash flow hedges					12		**12**		**12**
Total comprehensive income for the period			**(29)**		**12**	**117**	**100**		**100**
Common control transactions	32	(1,108)		(584)			**(1,692)**		**(1,692)**
Dividends paid to non-controlling interests								(1)	**(1)**
Balance as of December 31, 2009		**1,654**	**76**	**(513)**		**(129)**	**1,088**	**16**	**1,104**
Balance at the beginning of the period (January 1, 2010)		1,654	76	(513)		(129)	**1,088**	16	**1,104**
	28	947					**947**		**947**

Issue of shares (net of issue costs)								
Total comprehensive income for the period:								
Loss after tax					(97)	**(97)**		**(97)**
Exchange differences on translating foreign operations			293			**293**	(1)	**292**
Total comprehensive income for the period			**293**		**(97)**	**196**	**(1)**	**195**
Common control transactions	32	(906)		(1,048)		**(1,954)**		**(1,954)**
Purchase of non-controlling interest					3	**3**	(5)	**(2)**
Non-controlling interests acquired through business combinations							18	**18**
Disposal of business							(3)	**(3)**
Dividends paid	28				(39)	**(39)**	(2)	**(41)**
Balance as of December 31, 2010		**1,695**	**369**	**(1,561)**	**(262)**	**241**	**23**	**264**
Balance at the beginning of the period (January 1, 2011)		1,695	369	(1,561)	(262)	**241**	23	**264**
Total comprehensive loss for the period:								
Loss after tax					(419)	**(419)**	2	**(417)**
Exchange differences on translating foreign operations			(21)			**(21)**	(1)	**(22)**
Total comprehensive loss for the period			**(21)**		**(419)**	**(440)**	**1**	**(439)**
Dividends paid							(2)	**(2)**
Balance as of December 31, 2011		**1,695**	**348**	**(1,561)**	**(681)**	**(199)**	**22**	**(177)**

The statements of changes in equity should be read in conjunction with the notes to the financial statements.

Table of Contents

Reynolds Group Holdings Limited

Statements of cash flows

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Cash flows from operating activities				
Cash received from customers		11,486	6,798	6,081
Cash paid to suppliers and employees		(9,868)	(5,635)	(4,941)
Interest paid		(1,003)	(451)	(262)
Income taxes paid, net of refunds received		(88)	(125)	(108)
Change of control payment and other acquisition costs		(84)	(181)	
Payment to related party for use of tax losses			(23)	
Net cash from operating activities		**443**	**383**	**770**
Cash flows used in investing activities				
Purchase of Whakatane Mill			(46)	
Acquisition of property, plant and equipment and investment properties		(511)	(319)	(244)
Proceeds from sale of property, plant and equipment, investment properties and other assets		71	32	41
Acquisition of intangible assets		(9)	(18)	(48)
Acquisition of businesses, net of cash acquired	33	(2,048)	(4,386)	4
Disposal of businesses, net of cash disposed			33	
Disposal of other investments			10	4
Pre-acquisition advance to Graham Packaging		(20)		
Receipt of related party advances			97	103
Interest received		7	5	4
Dividends received from joint ventures		8	4	1
Net cash used in investing activities		**(2,502)**	**(4,588)**	**(135)**
Cash flows from (used in) financing activities				
Acquisitions of business under common control			(1,958)	(1,687)
Drawdown of loans and borrowings:				
August 2011 Credit Agreement		4,666		
August 2011 Notes		2,482		
February 2011 Notes		2,000		
October 2010 Notes			3,000	
May 2010 Notes			1,000	
2009 Notes				1,789
2009 Credit Agreement		10	2,820	1,404
Other borrowings		13	2	100
Repayment of loans and borrowings:				
2011 Credit Agreement		(75)		

2009 Credit Agreement		(4,168)	(38)	
Graham Packaging borrowings acquired	33	(1,935)		
Graham Packaging 2017 Notes		(239)		
Graham Packaging 2018 Notes		(231)		
Pactiv borrowings acquired			(397)	
Blue Ridge Facility			(43)	
2008 Reynolds Senior Credit Facilities				(1,500)
2007 SIG Senior Credit Facilities				(742)
CHH Facility				(13)
Other borrowings		(4)	(4)	(127)
Payment of liabilities arising from Graham Packaging Acquisition		(252)		
Premium on Graham Packaging 2017 and 2018 Notes		(5)		
Proceeds from issues of share capital			322	578
Proceeds from related party borrowings		25		68
Repayment of related party borrowings				(180)
Payment of transaction costs		(279)	(317)	(190)
Purchase of non-controlling interests			(3)	
Dividends paid to related parties and non-controlling interests		(2)	(39)	(1)
Net cash from (used in) financing activities		**2,006**	**4,345**	**(501)**
Net increase (decrease) in cash and cash equivalents		**(53)**	**140**	**134**
Cash and cash equivalents at the beginning of the period		652	514	383
Effect of exchange rate fluctuations on cash held		(5)	(2)	(3)
Cash and cash equivalents as of December 31		**594**	**652**	**514**
Cash and cash equivalents comprise				
Cash and cash equivalents		597	664	515
Bank overdrafts		(3)	(12)	(1)
Cash and cash equivalents as of December 31		**594**	**652**	**514**

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Reynolds Group Holdings Limited

Statements of cash flows (Continued)

Reconciliation of the profit for the period with the net cash from operating activities

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Profit (loss) for the period	(417)	(97)	117
Adjustments for:			
Depreciation of property, plant and equipment	650	317	331
Depreciation of investment properties	1	2	2
Asset impairment charges	12	29	13
Amortization of intangible assets	321	185	169
Net foreign currency exchange loss	7	3	3
Change in fair value of derivatives	26	(4)	(129)
Loss (gain) on sale of property, plant and equipment and non-current assets	1	(5)	(4)
Gains on sale of businesses and investment properties	(5)	(16)	
CSI Americas gain on acquisition		(10)	
Net financial expenses	1,398	686	492
Share of profit of equity accounted investees	(17)	(18)	(11)
Income tax (benefit) expense	(56)	78	149
Interest paid	(1,003)	(451)	(262)
Income taxes paid, net of refunds received	(88)	(125)	(108)
Change in trade and other receivables	(56)	(45)	(43)
Change in inventories	(171)	41	92
Change in trade and other payables	(6)	13	(24)
Change in provisions and employee benefits	(154)	(202)	6
Change in other assets and liabilities		2	(23)
Net cash from operating activities	**443**	**383**	**770**

Significant non-cash financing and investing activities

During the period ended December 31, 2011, related party interest income of $16 million (2010: $14 million; 2009: $12 million) was capitalized as part of the non-current related party receivable balance. Refer to note 30.

During the period ended December 31, 2010, Evergreen Packaging Inc. (EPI) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in amounts of CA$30 million ($29 million), NZ$776 million ($568 million) and $28 million.

During the period ended December 31, 2009, the Company issued shares in exchange for the repayment of certain related party borrowings in the amount of NZ$60 million ($41 million). Further, the Company issued shares in exchange for the novation of certain related party borrowings in the amount of NZ$1,047 million ($749 million).

During the period ended December 31, 2009, Evergreen Packaging International B.V. s (EPIBV) parent company at the time, Evergreen Packaging (Antiilles) N.V., contributed 47 million ($61 million) as a non-stipulated share premium without the issuance of shares.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Table of Contents

Reynolds Group Holdings Limited

Statements of cash flows (Continued)

Acquisitions and disposals of businesses

	For the period ended December 31,					
	2011		2010		2009	
	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions*	Disposals
	(In $ million)					
Inflow (outflow) of cash:						
Cash receipts (payments)	(2,192)		(4,488)	33	4	
Net cash (bank overdraft) acquired (disposed of)	144		102			
Consideration received, satisfied in notes receivable				14		
Consideration subject to post-closing adjustments*				1	3	
	(2,048)		**(4,386)**	**48**	**7**	
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Net gain on sale before reclassification from foreign currency translation reserve				(10)		
Amounts reclassified from foreign currency translation reserve				1		
Net assets (acquired) disposed of	**(2,192)**		**(4,488)**	**39**	**7**	
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Trade and other receivables	(371)		(475)	12		
Current tax assets	(4)		(49)			
Assets held for sale	(10)					
Inventories	(359)		(557)	8		
Derivative assets	(9)					
Deferred tax assets	(12)		(38)			
Property, plant and equipment	(1,525)		(1,443)	23		
Intangible assets (excluding goodwill)	(2,462)		(2,719)			
Goodwill	(1,735)		(2,931)		7	
Other current and non-current assets	(25)		(60)			
Investment in associates and joint ventures	(1)			3		
Trade and other payables	717		425	(8)		
Current tax liabilities	43					
Loans and borrowings	2,852		1,485			
Deferred tax liabilities	628		877			

Provisions and employee benefits	225	1,071		
Net assets (acquired)/disposed of	**(2,192)**	**(4,516)**	**38**	**7**
Gain on acquisition		10		
Amounts reclassified from foreign currency translation reserve			1	
Non-controlling interests		18		
	(2,192)	**(4,488)**	**39**	**7**

Refer to note 33 for further details of acquisitions.

* The cash paid in 2009 was for the post-closing adjustments relating to the acquisition of CSI Guadalajara.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

F-50

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements
For the period ended December 31, 2011

1. Reporting entity

Reynolds Group Holdings Limited (the Company) is a company domiciled in New Zealand and registered under the Companies Act 1993.

The financial statements of Reynolds Group Holdings Limited as of and for the period ended December 31, 2011, comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of the Company is c/o: Bell Gully, Level 22, Vero Centre, 48 Shortland Street, Auckland, New Zealand.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors (the Directors) on March 28, 2012 in Chicago, Illinois (March 29, 2012 in Auckland, New Zealand).

2.2 Going concern

The financial statements have been prepared using the going concern assumption.

The statement of financial position as of December 31, 2011 presents negative equity of $177 million compared to positive equity of $264 million as of December 31, 2010. The movement to negative equity is primarily attributable to the current period loss. The total equity was reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction to equity. As of December 31, 2011, the common control transactions had generated a cumulative reduction to equity of $1,561 million.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention except for:

- certain components of inventory which are measured at net realizable value;
- defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and
- certain assets and liabilities, such as derivatives, which are measured at fair value.

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

Information for the comparative periods is for the twelve month periods ended December 31, 2010 and December 31, 2009.

2.4 Presentation currency

These financial statements are presented in US dollars ($), which is the Group s presentation currency.

2.5 Use of estimates and judgements

The preparation of financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in note 4.

2.6 Comparative information

During the year, the Group made an adjustment to correct an understatement of the pension plan asset for one of the SIG segment s defined benefit pension plans. The understated pension plan asset existed from the date of acquisition of the SIG segment in May 2007. This adjustment reduced net income in the Corporate/Unallocated segment by $6 million for the period ended December 31, 2011, and reduced goodwill by $53 million, increased other non-current assets by $56 million and increased deferred income tax liabilities by $9 million as of December 31, 2011. This adjustment has no effect on the statement of cash flows and no effect on the Group s Adjusted EBITDA for the period ended December 31, 2011, or any previously reported period. Further, the plan asset understatement did not have a material impact on any current or previously reported financial statements.

As disclosed in note 32, indirect subsidiaries of the Company acquired the business operations of the Closures segment and the Reynolds consumer products business on November 5, 2009. On May 4, 2010, indirect subsidiaries of the Company acquired the business operations of Evergreen. On September 1, 2010 indirect subsidiaries of the Company acquired the business operations of the Reynolds foodservice packaging business. Prior to these transactions, these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 (revised) Business Combinations . In accordance with the Group s accounting policy for business combinations under common control, as outlined in note 3.1(d), the Group has compiled the comparative financial information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.7 Presentation of expenses by nature

Expenses in the statements of comprehensive income are presented by function. Supplemental disclosure of expenses by nature is presented in notes 9, 10, 11, 16, 18, 19, 22 and 34. The components of the Group s expenses not disclosed by nature in those notes primarily include energy consumption costs, freight costs, repairs and maintenance, other consultancy costs and professional fees, travel and entertainment, and

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

advertising costs. None of these other types of expenses have an individually significant impact on the Group s statements of comprehensive income for any period presented.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by all Group entities.

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. Control exists when the parent of the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control (or effective control) commences until the date that control ceases.

The Group has adopted IFRS 3 (revised) Business Combinations and IAS 27 Consolidated and Separate Financial Statements (2008) for each acquisition or business combination occurring on or after January 1, 2010. All business combinations occurring on or after January 1, 2010 are accounted for using the acquisition method, while those prior to this date are accounted for using the purchase method.

The acquisition method of accounting is used to account for the acquisition of third party subsidiaries and businesses by the Group for transactions completed on or after January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, including the fair value of any contingent consideration and share-based payment awards (as measured in accordance with IFRS 2 Share Based Payments) of the acquiree that are mandatorily replaced as a result of the transaction. Transaction costs that the Group incurs in connection with an acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are initially recognized at their proportionate share of the fair value of the net assets acquired.

During the measurement period an acquirer can report provisional information for a business combination if by the end of the reporting period in which the combination occurs the accounting is incomplete. The measurement period, however, ends at the earlier of when the acquirer has received all of the necessary information to determine the fair values or one year from the date of the acquisition.

The purchase method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group for transactions completed prior to January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interests. Final values for a business combination are determined within twelve months of the date of the acquisition.

Refer to note 33 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

The Group s share of its associates post-acquisition profits or losses and movements in other comprehensive income is recognized in the Group s statement of comprehensive income after adjustments (as required) are made to align the accounting policies of the associate with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a financial obligation or has made payments on behalf of the investee.

(c) Joint Ventures

Joint ventures are those operations, entities or assets in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Interests in jointly controlled entities are accounted for using the equity method of accounting (as described in note 3.1(b)).

Interests in jointly controlled assets and operations are reported in the financial statements by including the Group s share of assets employed in the joint venture, the share of liabilities incurred in relation to the joint venture and the share of any expenses incurred in relation to the joint venture in their respective classification categories. Movements in reserves of joint ventures attributable to the Group are recognized in other comprehensive income in the statement of comprehensive income.

(d) Transactions between entities under common control

Common control transactions arise between entities that are under the ultimate ownership of the common sole shareholder, Mr. Graeme Hart.

Certain transactions between entities that are under common control may not be transacted on an arm s length basis. Any gains or losses on these types of transactions are recognized directly in equity. Examples of such transactions include but are not limited to:

- debt forgiveness transactions;
- transfer of assets for greater than or less than fair value; and
- acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

Acquisitions of entities under common control are accounted for as follows:

- predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;

premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;

the financial statements incorporate the acquired entities results as if the acquirer and the acquiree had always been combined; and

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced (i.e. from the date the business was acquired by Mr. Graeme Hart) as though the entities had always been combined from the common control date forward.

(e) Transactions eliminated on consolidation

Intra-group balances and unrealized items of income and expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group s interest in the investee. Unrealized losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

(f) Transactions with non-controlling interests

The Group accounts for transactions with non-controlling interests as transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

3.2 Foreign currency

(a) Functional currency

Items included in the financial statements of each of the Group s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is NZ$.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group s presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date of the statement of financial position;

(ii) income and expense items for each profit or loss item are translated at average exchange rates;

(iii) items of other comprehensive income are translated at average exchange rates; and

(iv) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognized as a component of equity and included in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive income as a component of the profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated on this basis.

3.3 Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, receivables, available-for-sale financial assets, trade and other payables and interest bearing borrowings.

A non-derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Non-derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists and the Group intends to either settle the instrument net or realize the asset and liability simultaneously.

Upon initial acquisition the Group classifies its financial instruments in one of the following categories, which is dependent on the purpose for which the financial instruments were acquired.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except if these are

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

(b) Financial instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on the instrument s fair value. Upon initial recognition (at the trade date) attributable transaction costs are recognized in the statement of comprehensive income as a component of the profit or loss. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the statement of comprehensive income as a component of the profit or loss.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for instruments with maturities greater than twelve months from the reporting date, which are classified as non-current assets. The Group s loans and receivables comprise trade and other receivables (including related party receivables) which are stated at their cost less impairment losses.

(d) Other liabilities

Other liabilities comprise all non-derivative financial liabilities that are not disclosed as liabilities at fair value through profit or loss. Other liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The Group s other liabilities comprise trade and other payables and interest bearing borrowings, including those with related parties. The Group s other liabilities are measured as follows:

(i) Trade and other payables

Subsequent to initial recognition trade and other payables are stated at amortized cost using the effective interest method.

(ii) Interest bearing borrowings including related party borrowings

On initial recognition, borrowings are measured at fair value less transaction costs that are directly attributable to borrowings. Subsequent to initial recognition interest bearing loans and borrowings are measured at amortized cost using the effective interest method.

3.4 Derivative financial instruments

A derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of an instrument at the trade date.

Derivative financial instruments are initially recognized at fair value (which includes consideration of credit risk where applicable), and transaction costs are expensed as incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognized in the statement of comprehensive income as a component of the profit or loss unless the derivative financial instruments qualify for hedge accounting. If a derivative financial instrument qualifies for

F-57

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

Derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists.

Derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the instrument expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

Derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

(a) Cash flow hedges

Changes in the fair value of a derivative financial instrument designated as a cash flow hedge are recognized directly in equity as a component of other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of comprehensive income as a component of the profit or loss for the period.

If a hedging instrument no longer meets the criteria for hedge accounting or it expires, is sold, terminated or exercised, then hedge accounting is discontinued prospectively. At this point in time, the cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In all other cases the amount recognized in equity is transferred within the statement of comprehensive income in the same period that the hedged item affects this statement and is recognized as part of financial income or expenses. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred within the statement of comprehensive income and is recognized as part of financial income or expenses in the profit or loss.

(b) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge are recognized in the statement of comprehensive income as a component of the profit or loss in financial income or expenses together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(c) Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the following conditions are met:

(i) the economic characteristics and risks of the host contract and the embedded derivative are not closely related;

(ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(iii) the combined instrument is not measured at fair value through profit or loss.

At the time of initial recognition of the embedded derivative an equal adjustment is also recognized against the host contract. The adjustment against the host contract is amortized over the remaining life of the host contract using the effective interest method.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Any embedded derivatives that are separated are measured at fair value with changes in fair value recognized through net financial expenses in the statement of comprehensive income as a component of the profit or loss.

3.5 Inventories

(a) Raw materials, work in progress and finished goods

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(b) Engineering and maintenance materials

Engineering and maintenance materials (representing either critical or long order components) are measured at the lower of cost and net realizable value. The cost of these inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is determined with reference to the cost of replacement of such items in the ordinary course of business compared to the current market prices.

3.6 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition (refer to note 3.1(a)). The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(b) Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use. Assets under construction are not depreciated but tested for impairment at least annually or when there is an indication of impairment.

(c) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its carrying value at the date of transfer.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalized until such time as the assets are substantially ready for their intended use. The interest rate used equates to the effective interest rate on debt where general borrowings are used or the relevant interest rate where specific borrowings are used to finance the construction.

(e) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of profit or loss on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

Buildings	20 to 50 years
Plant and equipment	3 to 25 years
Furniture and fittings	3 to 20 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the net carrying amount of the asset.

3.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (if any). Investment properties are depreciated on a straight-line basis over 30 to 40 years.

3.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) The Group as lessor finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group s net investment in the leases.

(b) The Group as lessee finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

for in accordance with the accounting policy described in note 3.3(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and business operations and is recognized at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognized.

If the Group s interest in the fair value of the acquiree s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree, the excess is recognized immediately in the statement of comprehensive income as a component of the profit or loss as a bargain purchase gain.

Goodwill is measured at cost less accumulated impairment losses (if any) and is tested at least annually for impairment. Goodwill is not amortized and is monitored for impairment testing at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. The allocation is made to the operations that are expected to benefit from the business combination in which the goodwill arose after the allocation of purchase consideration is finalized.

In respect of joint ventures and investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.

(b) Trademarks

Trademarks are measured at cost less accumulated amortization and impairment losses (if any) with the exception of the SIG Combibloc, Reynolds, Hefty, Pactiv Foodservice, Blue Ridge, Evergreen and Graham Packaging trade names which are recognized at cost less accumulated impairment losses (if any). These trade names are considered indefinite life assets as they represent the value accumulated in the brand, which is expected to continue indefinitely into the future. Trademarks are tested at least annually for impairment.

(c) Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers. These relationships are recognized at cost and amortized using the straight-line method over the estimated remaining useful lives of the relationships, which are based on customer attrition rates and projected cash flows.

(d) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Intangible assets arising from development activities are measured at cost less accumulated amortization and accumulated impairment losses (if any).

(e) Other intangible assets

Other intangible assets comprise permits, software, technology, patents and rights to supply. Other intangible assets that have finite useful lives are carried at cost less accumulated amortization and impairment losses (if any). Other intangible assets that have indefinite useful lives are carried at costs less impairment losses (if any).

(f) Subsequent expenditures

Subsequent expenditure in respect of intangible assets is capitalized only when the expenditure increases the future economic benefits embodied in the specific asset to which the expenditure relates and it can be reliably measured. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(g) Amortization

Amortization is recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life intangibles, from the date that the intangible assets are available for use.

The estimated useful lives for the material classes of intangible assets are as follows:

Software/technology	3 to 15 years
Patents	5 to 14 years
Rights to supply	up to a maximum of 6 years
Customer relationships	6 to 25 years
Trademarks	5 to 15 years

3.10 Impairment

The carrying amounts of the Group s assets are reviewed regularly and at least annually to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount of an asset, cash generating unit (CGU) or group of CGUs exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognized in the statement of comprehensive income as a component of the profit or loss.

(a) Impairment of loans and receivables

The recoverable amount of the Group s loans and receivables carried at amortized cost is calculated with reference to the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the date of initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments exposures. For trade receivables which are

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

The criteria that the Group uses to determine whether there is objective evidence of an impairment loss include:

significant financial difficulty of the issuer or obligor;

a breach of contract, such as default or delinquency in respect of interest or principal repayment; or

observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio.

(b) Non-financial assets

The carrying amounts of the Group s non-financial assets, including goodwill and indefinite life intangible assets, are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the statement of comprehensive income as a component of the profit or loss. Impairment losses recognized in respect of a segment are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In assessing the fair value less cost to sell, the forecasted future Adjusted EBITDA to be generated by the asset or segment being assessed is multiplied by a relevant market indexed multiple.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset s revised carrying amount will not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

3.11 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group s accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

inventories, financial assets, deferred tax assets, employee benefit plan assets, and investment property, which continue to be measured in accordance with the Group s accounting policies. Impairment losses on initial classification of an asset to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.12 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee s service in the current and prior periods. The Group s contributions are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The Group s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods. These benefits are then discounted to determine the present value of the Group s obligations and are then adjusted for the impact of any unrecognized past service costs. The Group s net obligation is then determined with reference to the fair value of the plan assets (if any). The discount rate used is the yield on bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method.

Past service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss, unless the changes to the plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortized on a straight-line basis over the vesting period.

Actuarial gains and losses are recognized in the statement of comprehensive income as component of profit or loss when the cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. These gains or losses are amortized on a straight-line basis over the expected remaining service lives of employees participating in the plan.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

In certain jurisdictions the Group sponsors a number of defined benefit medical plans for certain existing employees and retirees. Typically these plans are unfunded and define a level of medical care that the individual will receive.

The Group s net obligation is calculated separately for each plan by estimating the current and future use of these services by eligible employees, the current and expected future medical costs associated with such services which are discounted to determine their present value and any unrecognized past service costs. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method with the use of mortality tables published by government agencies.

Past-service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss unless changes to a plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past-service costs are amortized on a straight-line basis over the vesting period.

(d) Other long-term employee benefits

The Group s net obligation in respect of long-term employee benefits, other than pension plans and post-employment medical plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine the present value of the Group s obligation. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculation is performed by qualified actuaries using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of comprehensive income as a component of the profit or loss in the period in which they arise.

(e) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(f) Incentive compensation plans

The Group recognizes a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognizes a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees to fund such plans.

F-65

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.13 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision for the passage of time is recognized as a component of financial expense in the statement of comprehensive income as a component of the profit or loss.

(a) Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(b) Business closure and rationalization

A provision for business closure and rationalization is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

3.14 Self-insured employee obligations

(a) Self-insured employee workers compensation

The Group is self-insured in respect of its workers compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group s historical claims) relating to these claims are included in trade and other payables.

3.15 Dividends

Dividends to the Group s shareholder are recognized as a liability in the Group s financial statements in the period in which the dividends are declared.

3.16 Share capital

Common stock and ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.17 Revenue

(a) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, volume rebates and other customer incentives. Revenue is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards of ownership vary depending on the individual terms of the contract of sale. This occurs either upon shipment of the goods or upon receipt of the goods and/or their installation at a customer location.

(b) Lease income

Payments received under finance leases are apportioned between finance income and the reduction of the outstanding receivable balance. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group s net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.18 Lease payments

Minimum lease payments made under finance leases are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges which are recognized in the statement of comprehensive income as a component of the profit or loss are allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for in the periods in which the payments are incurred.

Payments made under operating leases are recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the term of the lease, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognized as an expense in the period in which the payments are incurred. Presently, all payments under operating leases are recognized on a straight-line basis over the term of the lease in the statement of comprehensive income.

In the event that lease incentives are received to enter into an operating lease, such incentives are deferred and recognized as a liability. The aggregated benefits of the lease incentives are recognized as a reduction to the lease expenses on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.19 Financial income and expenses

Financial income comprises interest income, foreign currency gains, and gains on derivative financial instruments in respect of financing activities that are recognized in the statement of comprehensive income as a component of the profit or loss. Interest income is recognized as it accrues using the effective interest method.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Financial expenses comprise interest expense, foreign currency losses, impairment losses recognized on financial assets (except for trade receivables) and losses in respect of financing activities on derivative instruments that are recognized in the statement of comprehensive income as a component of the profit or loss. All borrowing costs not qualifying for capitalization are recognized in the statement of comprehensive income as a component of the profit or loss.

3.20 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income as a component of the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized with the associated items on a net basis.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized. Deferred income tax assets and liabilities in the same jurisdiction are off-set in the statement of financial position only to the extent that there is a legally enforceable right to off-set current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realized simultaneously.

3.21 Sales tax, value added tax and goods and services tax

All amounts (including cash flows) are shown exclusive of sales tax, value added tax (VAT) and goods and services tax (GST) to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax, VAT and GST.

3.22 Discontinued operations

A discontinued operation is a component of the Group s business that represents a separate major line of business or geographical area of operation that has been disposed of or is held for sale, or is a subsidiary or business acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.23 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2011

During 2011, certain interpretations and standards which had not previously been early adopted were mandatory for the Group. This included improvements to various IFRSs 2010 various standards (effective for financial reporting periods beginning on or after July 1, 2010 and January 1, 2011). The adoption of the revisions to existing standards did not have a material impact on the financial statements of the Group for the period ended December 31, 2011.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these consolidated financial statements:

IFRS 9 Financial Instruments is the replacement of IAS 39 Financial Instruments: Recognition and Measurement . IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The Group is currently evaluating the impact of IFRS 9 on its financial statements.

On May 12, 2011, the IASB released IFRS 10 Consolidated Financial Statements , IFRS 11 Joint Arrangements , IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement as part of its new suite of consolidation and related standards, replacing and amending a number of existing standards and pronouncements. Each of these standards is effective for annual reporting periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 10 introduces a new approach to determining which investments should be consolidated and supersedes the requirements of IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation Special Purpose Entities . Under the requirements of this new standard, the basis for consolidation is control regardless of the nature of the investee. The IASB has provided a series of indicators to determine control which requires judgment to be exercised in making the assessment of control. The new standard also introduces the concept of de facto control, provides greater guidance on the assessment of potential voting rights, while also requiring control to be assessed on a continuous basis where changes arise that do not merely result from a change in market conditions.

IFRS 11 overhauls the accounting for joint arrangements (previously known as joint ventures) and directly supersedes IAS 31 Interests in Joint Ventures while amending IAS 28 (2011) Investments in Associates and Joint Ventures . Under the requirements of the new standard, jointly controlled entities are either accounted for (without choice) using the equity or proportional consolidation method (depending if separation can be established legally or through another form), whereas joint ventures (previously referred to as jointly controlled operations and jointly controlled assets) must be accounted for using the proportional consolidation method.

IFRS 12 combines into a single standard the disclosure requirements for subsidiaries, associates and joint arrangements and unconsolidated structured entities. Under the expanded and new disclosure requirements, information is required to be provided to enable users to evaluate the nature of the risks associated with a reporting entity s interest in other entities and the effect those interests can have on the reporting entity s

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structured entities.

IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement.

On June 16, 2011, the IASB published an amendment to IAS 19 Employee Benefits, which removes certain options in respect of the accounting for defined benefit post-employment plans, while introducing certain other new measurement and disclosure requirements. Under the requirements of the amended standard, the IASB now requires the immediate recognition of all actuarial gains and losses as a component of other comprehensive income, effectively removing the ability to defer and leave unrecognized those amounts that were previously permitted under the corridor method. In connection with this amendment, the IASB has also provided additional guidance on the level of aggregated disclosure permitted when plans with differing criteria are presented on a consolidated basis, while also revising the basis under which finance costs are to be determined in connection with defined benefit plans. In addition to these changes, the new standard has also introduced further measures to distinguish between short and long-term employee benefits and additional guidance in terms of the recognition of termination benefits.

In addition, on June 16, 2011, the IASB also published an amendment to IAS 1 Presentation of Financial Statements . Under the requirements of the amended standard, the IASB requires an entity to present amounts recognized in other comprehensive income that the entity expects will be reclassified to the statement of comprehensive income in the future (even if contingent on future events) separately from those amounts that will never be reclassified. In addition, the amendment proposes a change in the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income but allows entities the ability to use other titles.

The requirements of the amended IAS 1 and IAS 19 must be applied to the financial year beginning on or after January 1, 2013, with early adoption permitted. The Group currently accounts for its defined benefit post-employment plans using the corridor method. The Group is currently evaluating the effects of the amendments to IAS 1 and IAS 19 on its financial statements.

On December 16, 2011, the IASB published amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities and IAS 32 Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities. The amendments are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. Additional disclosures are also required about right of offset and related arrangements.

The requirements of the amended IFRS 7 must be applied to the financial year beginning on or after January 1, 2013 and of amended IAS 32 must be applied to the financial year beginning on or after January 1, 2014. Both require retrospective application for the comparative period. The Group is currently evaluating the effects of the amendments to IFRS 7 and IAS 32 on its financial statements.

4. Critical accounting estimates and assumptions

In the process of applying the Group s accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill is impaired requires estimation of the recoverable values of a segment, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. Determining whether indefinite life intangible assets are impaired requires estimation of the recoverable values of the segment or lower level group of CGUs to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgment is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 22.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group s intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

4.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Group s provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.3 Realization of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs from management s estimate of future taxable income, the value of recognized deferred tax assets may be affected. Deferred tax assets have been recognized to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realized in the same jurisdiction and reporting period. Deferred tax assets have also been recognized based on management s best estimate of the recoverability of these assets against future taxable income.

4.4 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than twelve months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of December 31, 2011, the valuation of the assets acquired and liabilities assumed as a result of the Graham Packaging acquisition have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

4.5 Measurement of obligations under defined benefit plans

The Group operates a number of defined benefit pension plans. Amounts recognized under these plans are determined using actuarial methods. These actuarial valuations involve assumptions regarding long-term rates of return on pension fund assets, expected salary increases and the age of employees. These assumptions are reviewed at least annually and reflect estimates as of the measurement date.

Any change in these assumptions will impact the amounts reported in the statements of financial position, plus net pension expense or income that may be recognized in future years.

5. Determination of fair values

A number of the Group s accounting policies and associated disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.1 Property, plant and equipment

The fair values of items of property, plant and equipment recognized as a result of a business combination are based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm s length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items where available or based on the assessment of appropriately qualified independent valuers.

5.2 Intangible assets

The fair values of patents and trademarks acquired in a business combination are based on the discounted estimated royalty payments that have been avoided as a result of owning the patent or trademark. The fair values of other identifiable intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5.3 Investment property

The fair values of investment property are based on active market prices adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed internally and by external valuers.

F-72

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.4 Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

5.5 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Given the short-term nature of trade receivables the carrying amount is a reasonable approximation of fair value.

5.6 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of commodity and other price derivatives is based on a valuation model. The valuation model (which includes when relevant the consideration of credit risk) discounts the estimated future cash flows based on the terms and maturity of each contract using forward curves and market interest rates at the reporting date.

5.7 Non-derivatives financial liabilities

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

5.8 Pension and post-employment medical benefits

The valuation of the Group s defined benefit pension and post-employment medical plans is outlined in note 3.12(a)(ii).

5.9 Fair value of borrowings acquired

The fair value of borrowings acquired in business combinations is determined using quoted market prices or agreed redemption values at the date of acquisition.

6. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and to assess its performance.

The Group s CODM are the officers and Directors of the Company. Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s operating and reportable business segments under IFRS 8 are as follows:

SIG Combibloc SIG Combibloc is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. SIG supplies

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

Reynolds Consumer Products Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. Prior to the Pactiv acquisition (refer to note 33), the Reynolds Consumer Products segment consisted solely of the Group s Reynolds consumer products business.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv acquisition (refer to note 33), the Pactiv Foodservice segment consisted solely of the Group s Reynolds foodservice packaging business. Dopaco, which was acquired in May 2011, is being integrated with the Pactiv Foodservice segment.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 33).

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group s accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenue and expenses, financial income and expenses, and income tax benefit and expense.

The CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, non-cash pension income, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm s length basis.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

Business segment reporting

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Total external revenue	2,036	1,557	1,317	2,503	3,409	967		11,789
Total inter-segment revenue		46	12	56	39		(153)	
Total segment revenue	**2,036**	**1,603**	**1,329**	**2,559**	**3,448**	**967**	**(153)**	**11,789**
Gross profit	439	224	207	611	524	62	(3)	2,064
Expenses and other income	(234)	(69)	(97)	(258)	(402)	(86)	(10)	(1,156)
Share of profit of associates and joint ventures	15	2						17
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(13)**	**925**
Financial income								22
Financial expenses								(1,420)
Loss before income tax								**(473)**
Income tax benefit								56
Loss after income tax								**(417)**
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(13)**	**925**
Depreciation and amortization	260	60	81	150	292	129		972
	480	**217**	**191**	**503**	**414**	**105**	**(13)**	**1,897**

Earnings before interest, tax, depreciation and amortization (EBITDA)

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions between segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(13)**	**1,897**
Included in EBITDA:								
Asset impairment charges	4		1		7			12
Business acquisition and integration costs				5	45	9	26	85
Business interruption costs (recoveries)	2		1	(1)				2
Change of control payments						12		12
Equity method profit not distributed in cash	(8)	(2)						(10)
Gain on modification of plan benefits							(25)	(25)
Gain on sale of businesses			(5)					(5)
Impact of purchase price accounting on inventory and leases					5	27		32
Non-cash inventory charge				1	2			3
Non-cash pension expense (income)				3	4		(49)	(42)
Operational process engineering-related consultancy costs				17	21		4	42
Restructuring costs	2		5	11	48	3	19	88
SEC registration costs							6	6
	2	2	2	17	3			26

Unrealized loss on derivatives								
VAT and custom duties on historical imports	1							1
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**483**	**217**	**195**	**556**	**549**	**156**	**(32)**	**2,124**
Segment assets	**3,218**	**1,373**	**1,759**	**4,882**	**5,826**	**4,305**	**525**	**21,888**
Included in segment assets are:								
Additions to property, plant and equipment	185	62	63	33	105	63		511
Additions to intangible assets	8		3	1		5	1	18
Additions to investment properties	4							4
Investments in associates and joint ventures	104	14				1		119
Segment liabilities	**2,031**	**412**	**804**	**1,396**	**861**	**3,931**	**12,630**	**22,065**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition (refer to notes 22 and 33) that has not yet been allocated to the operating segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
	SIG Combibloc	Evergreen	Closures*	Reynolds Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Total external revenue	1,846	1,580	1,167	1,334	847		6,774
Total inter-segment revenue		3	7	44	77	(131)	
Total segment revenue	**1,846**	**1,583**	**1,174**	**1,378**	**924**	**(131)**	**6,774**
Gross profit	464	209	185	327	65		1,250
Expenses and other income	(213)	(67)	(89)	(113)	(106)	(13)	(601)
Share of profit of associates and joint ventures	16	2					18
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(13)**	**667**
Financial income							66
Financial expenses							(752)
Loss before income tax							**(19)**
Income tax expense							(78)
Loss after income tax							**(97)**
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(13)**	**667**
Depreciation and amortization	243	62	79	62	58		504
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(13)**	**1,171**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from

November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
	SIG Combibloc	Evergreen	Closures *	Reynolds Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(13)**	**1,171**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation				(2)			(2)
Asset impairment charges (reversals)	(1)				29		28
Black Liquor Credit		(10)					(10)
Business acquisition costs		1	1			10	12
Business interruption costs			2				2
CSI Americas gain on acquisition			(10)				(10)
Equity method profit not distributed in cash	(11)	(3)					(14)
Gain on sale of businesses and investment properties	(6)	(2)			(8)		(16)
Impact of purchase price accounting on inventories				25	38		63
Operational process engineering-related consultancy costs		2		6			8
Pension income						(5)	(5)
Related party management fees		1					1
Restructuring costs (recoveries)	11		3	(4)	(1)		9
Termination of supply agreement					7		7
Unrealized (gain) loss on derivatives		1	(1)	(2)	(1)		(3)
VAT and custom duties on historical imports	10						10

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**513**	**196**	**170**	**299**	**81**	**(8)**	**1,251**
Segment assets	**3,439**	**1,257**	**1,739**	**1,763**	**405**	**7,373**	**15,976**
Included in segment assets are:							
Additions to property, plant and equipment	151	47	82	13	10	12	315
Additions to intangible assets	13			5			18
Additions to investment properties	4						4
Investments in associates and joint ventures	97	13					110
Segment liabilities	**2,073**	**392**	**1,167**	**1,161**	**197**	**10,722**	**15,712**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment and acquisition-related assets not allocated to specific segments. It also includes eliminations of transactions and balances between segments.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Total external revenue	1,668	1,429	977	1,151	685		5,910
Total inter-segment revenue			3	39	54	(96)	
Total segment revenue	**1,668**	**1,429**	**980**	**1,190**	**739**	**(96)**	**5,910**
Gross profit	410	376	161	222	47	3	1,219
Expenses and other income	(229)	(85)	(79)	(31)	(45)	(3)	(472)
Share of profit of associates and joint ventures	9	2					11
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Financial income							21
Financial expenses							(513)
Profit before income tax							**266**
Income tax expense							(149)
Profit after income tax							**117**
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Depreciation and amortization	250	64	73	63	52		502
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**
Included in EBITDA:							
Asset impairment charges	6	6			1		13
Black Liquor Credit		(214)					(214)
Business acquisition costs		1					1
Elimination of the effect of the historical Reynolds Consumer hedging policy				91	4		95
Equity method profit not distributed in cash	(8)	(2)					(10)
Inventory write-off arising on restructure					5		5
Korean insurance claim		(2)					(2)
Loss on sale of Baco assets				1			1
Manufacturing plant flood impact				5			5
Operational process engineering-related consultancy costs		13					13
Plant realignment costs				2			2
Related party management fees		3					3
Restructuring costs	38	3	3	5	9		58
Transition costs				24			24
Unrealized gain on derivatives	(4)		(10)	(102)	(13)		(129)
VAT and custom duties on historical imports	3						3
Write down of assets held for sale		1					1
Write off of receivables related to sale of Venezuela operations		1					1
Adjusted earnings before interest, tax, depreciation and	**475**	**167**	**148**	**280**	**60**		**1,130**

amortization (Adjusted EBITDA)							
Segment assets	**4,025**	**1,316**	**1,432**	**1,670**	**512**	**(1,193)**	**7,762**
Included in segment assets are:							
Additions to property, plant and equipment	77	61	69	31	4		242
Additions to intangible assets	21	2		22	3		48
Additions to investment properties	2						2
Investments in associates and joint ventures	90	10			4		104
Segment liabilities	**1,255**	**1,034**	**970**	**1,158**	**267**	**1,974**	**6,658**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Information about geographic area

The Group s revenue from external customers and information about its segment assets (total non-current assets excluding financial instruments, non-current receivables, deferred tax assets and post-employment

F-80

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

benefit assets) by geographical origin are detailed below. In presenting information on a geographical basis, revenue and assets have been based in the location of the business operations:

	USA	Remaining North American Region	Europe	Asia	South America	Other*	Total
	(In $ million)						
Total external revenue							
For the period ended December 31, 2011	7,990	628	1,742	941	375	113	11,789
For the period ended December 31, 2010	3,829	299	1,498	759	292	97	6,774
For the period ended December 31, 2009	3,279	230	1,483	656	249	13	5,910
Non-current assets							
As of December 31, 2011	14,049	405	1,637	912	225	58	17,286
As of December 31, 2010	9,073	369	1,769	855	122	60	12,248

* Other includes revenue from external customers and total non-current assets in New Zealand, where the Company is domiciled. Revenue from external customers in New Zealand was $102 million for the period ended December 31, 2011 (2010: $63 million; 2009: none). Total non-current assets in New Zealand were $33 million as of December 31, 2011 (2010: $32 million).

Information about major customers

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group s revenue.

Information about major product lines

Supplemental information on net sales by major product line is set forth below:

	For the period ended December 31, 2011	2010	2009
	(In $ million)		
Foodservice packaging	3,448	924	739
Aseptic carton packaging	2,036	1,846	1,668
Caps and closures	1,329	1,174	980
Waste and storage products	992	509	433

Cooking products	822	768	757
Tablewares	745	101	
Cartons	775	755	757
Beverage containers	646		
Liquid packaging board	441	416	336
Paper products	387	412	336
Household product containers	175		
Other product containers	146		
Inter-segment eliminations	(153)	(131)	(96)
Total Revenue	**11,789**	**6,774**	**5,910**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

7. Revenue

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Sale of goods	11,699	6,692	5,845
Services	90	82	65
Total Revenue	**11,789**	**6,774**	**5,910**

8. Other income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Adjustment related to settlement of a lease obligation		2	
CSI Americas gain on acquisition		10	
Gain on sale of businesses	5		
Gain on sale of investment properties		16	
Gain on sale of non-current assets		5	4
Income from facility management	12	11	15
Income from miscellaneous services	6	8	11
Insurance claims	6		4
Landfill tipping fees received	5		
Rental income from investment properties	6	6	5
Royalty income	4	2	2
Sale of by-products	29	25	18
Unrealized gains on derivatives		4	129
Other	14	13	13
Total other income	**87**	**102**	**201**

9. General and administration expenses

For the period ended December 31,

	2011	2010	2009
		(In $ million)	
Research and development expenses	(145)	(107)	(99)
Auditors remunerations to PricewaterhouseCoopers, comprising:			
Audit fees	(12)	(11)	(7)
Other audit related fees(a)	(7)	(5)	(5)
Tax fees(b)	(1)	(1)	(12)

(a) Other audit related fees include services for the audit or review of financial information other than year end or interim financial statements (including audits of carve out financial statements for debt refinancing and covenant reporting under bank facilities).

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

9. General and administration expenses (continued)

(b) In 2009, $12 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits. These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

10. Other expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Asset impairment charges		(12)	(29)	(13)
Business acquisition costs		(38)	(13)	
Business integration costs		(43)		
Net foreign currency exchange loss		(7)	(3)	(3)
Operational process engineering-related consultancy costs		(42)	(7)	(13)
Related party management fees	30		(1)	(3)
Restructuring costs		(88)	(9)	(58)
SEC registration costs		(6)		
Unrealized losses on derivatives		(26)		
VAT and custom duties on historical imports		(1)	(11)	(3)
Other		(5)	(7)	(3)
Total other expenses		**(268)**	**(80)**	**(96)**

11. Personnel expenses

Personnel expenses recognized in the statements of comprehensive income were $1,965 million for the period ended December 31, 2011 (2010: $1,229 million; 2009: $1,167 million). Personnel expenses include salaries, wages, employee related taxes, short-term employee benefits, pension benefits, post-employment medical benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 26.

12. Financial income and expenses

Note	For the period ended December 31, 2011	2010	2009
	(In $ million)		

Interest income	6	5	6
Interest income on related party loans	16	17	13
Net change in fair value of derivatives		44	2
Financial income	**22**	**66**	**21**
Interest expense:			
August 2011 Credit Agreement	(168)		
2009 Credit Agreement	(29)	(135)	(13)
August 2011 Notes	(85)		
February 2011 Notes	(139)		
October 2010 Notes	(243)	(50)	

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

	Note	2011	2010	2009
		For the period ended December 31, (In $ million)		
May 2010 Notes		(88)	(56)	
2009 Notes		(147)	(134)	(20)
2007 Notes		(109)	(104)	(110)
Pactiv 2012 Notes		(15)	(2)	
Pactiv 2017 Notes		(24)	(3)	
Pactiv 2018 Notes		(1)		
Pactiv 2025 Notes		(22)	(3)	
Pactiv 2027 Notes		(17)	(2)	
Graham Packaging 2014 Notes		(12)		
Graham Packaging 2017 Notes		(3)		
Graham Packaging 2018 Notes		(3)		
2008 Reynolds Senior Credit Facilities				(66)
2007 SIG Senior Credit Facilities				(47)
CHH Facility			(8)	(22)
Blue Ridge Facility				(2)
Related party borrowings	30	(1)		(26)
Amortization of:				
Debt issue costs:				
2011 Credit Agreement		(4)		
2009 Credit Agreement(a)		(86)	(10)	(1)
August 2011 Notes		(2)		
February 2011 Notes		(2)		
October 2010 Notes		(10)	(2)	
May 2010 Notes		(3)	(2)	
2009 Notes		(8)	(9)	(1)
2007 Notes		(4)	(4)	(4)
2008 Reynolds Senior Credit Facilities				(19)
2007 SIG Senior Credit Facilities				(3)
CHH Facility				(1)
Debt commitment letter fees(b)(c)		(68)	(98)	
Credit Agreement amendment fees		(11)	(12)	
Fair value adjustment of acquired notes		14	1	
Original issue discounts(a)		(42)	(6)	(1)
Embedded derivatives		11	3	
Graham Packaging Notes tender offer fees		(5)		
Unamortized debt issue costs written off				(36)
Net change in fair values of derivatives		(20)		

Net foreign currency exchange loss	(55)	(103)	(134)
Other	(19)	(13)	(7)
Financial expenses	**(1,420)**	**(752)**	**(513)**
Net financial expenses	**(1,398)**	**(686)**	**(492)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes as well as proceeds from the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance costs of $86 million and unamortized original issuance discount of $38 million related to the 2009 Credit Agreement were expensed during the period ended December 31, 2011.

(b) A debt commitment letter to fund the Graham Packaging Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $68 million of fees. The proceeds from the issuance of the August 2011 Notes and drawings under the August 2011 Credit Agreement were used to finance the Graham Packaging Acquisition (refer to note 33). As the commitments under the debt commitment letter were not utilized, the Group expensed $68 million of the fees during the period ended December 31, 2011.

(c) A debt commitment letter to fund the Pactiv Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $98 million of fees. The proceeds from the issuance of the October 2010 Notes and the additional borrowings under the 2009 Credit Agreement were used to finance the Pactiv acquisition. As the commitments under the debt commitment letter were not utilized, the Group expensed $98 million of fees during the period ended December 31, 2010.

Refer to note 25 for information on the Group s borrowings.

13. Income tax

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Current tax expense			
Current period	(152)	(120)	(116)
Adjustment for prior periods			(2)
	(152)	**(120)**	**(118)**
Deferred tax benefit (expense)			
Origination and reversal of temporary differences	189	36	(40)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	12
Adjustments for prior periods	(7)		1
	208	**42**	**(31)**

Income tax benefit (expense)	**56**	**(78)**	**(149)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

13. Income tax (continued)

13.1 Reconciliation of effective tax rate

	For the period ended December 31, 2011	2010	2009
	(In $ million)		
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(473)**	**(19)**	**266**
Income tax using the New Zealand tax rate of 28% (2010 and 2009: 30%)	132	6	(80)
Effect of tax rates in foreign jurisdictions	47	(8)	29
Effect of tax rates in state and local tax	(1)	(5)	(13)
Non-deductible expenses and permanent differences	(95)	(32)	(4)
Tax exempt income and income at a reduced tax rate	9	10	6
Withholding tax	(28)	(10)	(3)
Controlled foreign corporation tax	2	(11)	(17)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	21
Unrecognized tax losses and temporary differences	(48)	(61)	(82)
Tax uncertainties	8		
Cellulosic biofuel credits		29	
Credits	4	2	
Other	3	(4)	(1)
Over (under) provided in prior periods	(3)		(1)
Total current period income tax (expense) benefit	**56**	**(78)**	**(149)**

14. Other comprehensive income

	For the period ended December 31, 2011 Pre-Tax	2011 Tax Effect	2010 Pre-Tax	2010 Tax Effect	2009 Pre-Tax	2009 Tax Effect
	(In $ million)					
Exchange difference on translating foreign operations	(22)		292		(29)	
Cash flow hedges					19	(7)
Total other comprehensive income	**(22)**		**292**		**(10)**	**(7)**

During the period ended December 31, 2010, the Group transferred $49 million of the exchange difference on translating foreign operations, which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2009, the Group transferred $12 million of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

15. Cash and cash equivalents

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Cash at bank and on hand	445	592
Short-term deposits	152	72
Total cash and cash equivalents	**597**	**664**

16. Trade and other receivables

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Trade receivables	1,344	977
Provisions for doubtful debts	(25)	(22)
	1,319	**955**
Related party receivables (refer to note 30)	36	41
Other receivables	151	154
Total current trade and other receivables	**1,506**	**1,150**
Related party receivables (refer to note 30)	271	256
Other receivables	50	47
Total non-current receivables	**321**	**303**

16.1 Movement in provision for doubtful debts

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Balance at the beginning of the period	(22)	(22)

Doubtful debts charges recognized	(10)	(8)
Doubtful debts provision applied against trade receivable balance	1	6
Reversal of doubtful debts charges previously recognized	6	2
Balance at the end of the period	**(25)**	**(22)**

The doubtful debts charge recognized of $10 million for the period ended December 31, 2011 (2010: $8 million; 2009: $4 million) relates to increases required as a result of management s review of the trade receivable balances.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

16. Trade and other receivables (continued)

16.2 Balances net of provision for doubtful debts

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Current	1,211	842
Past due 0 to 30 days	81	91
Past due 31 days to 60 days	9	6
Past due 61 days to 90 days	5	2
More than 91 days	13	14
Balance at the end of the period	**1,319**	**955**

The individual operating divisions within the Group have reviewed their respective past due trade receivable balances on either an individual or collective basis in conjunction with their current level of credit insurance, where applicable. Based on past experience, the Group believes that no further allowance for doubtful debts other than that recognized is necessary.

17. Assets and liabilities held for sale

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Assets		
Trade receivables	10	
Inventories	15	
Property, plant and equipment	44	18
Pension asset	1	
Total net assets held for sale	**70**	**18**
Liabilities		
Trade and other payables	14	
Other liabilities	6	
Liabilities directly associated with assets held for sale	**20**	

Net assets held for sale	**50**	**18**

During the period ended December 31, 2011, the Group decided to sell the Pactiv Foodservice laminating operations in Louisville, Kentucky and certain property, plant and equipment. The sale was completed on January 2012 (refer to note 38).

During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility and recorded an impairment charge of $7 million on the Richmond facility.

Efforts to dispose of the remaining net assets held for sale are currently progressing and are expected to be completed in the next twelve month period.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

18. Inventories

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Raw materials and consumables	556	379
Work in progress	229	167
Finished goods	898	646
Engineering and maintenance materials	159	146
Provision against inventory	(69)	(57)
Total inventory	**1,773**	**1,281**

During the period ended December 31, 2011, the raw materials elements of inventory recognized as a component of cost of sales totaled $5,750 million (2010: $3,053 million; 2009: $2,684 million). In addition, purchase price adjustments to inventory charged to cost of sales totaled $33 million for the period ended December 31, 2011 (2010: $64 million; 2009: none).

During the period ended December 31, 2011, there were no material write-downs of inventories to net realizable value (2010: $3 million; 2009: $10 million). There were no material reversals of write-downs during 2011 (2010: $2 million; 2009; none). The inventory write-downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment) had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10 million in its cost of sales, being the claim value net of applicable expenses. The Group recognized no such credits in the period ended December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

19. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress (In $ million)	Leased assets lessor	Financed leased assets	Total
As of December 31, 2011							
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
As of December 31, 2010							
Cost	218	776	2,668	201	268	28	4,159
Accumulated depreciation		(83)	(686)		(114)	(2)	(885)
Accumulated impairment losses		(3)	(5)				(8)
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**
Carrying amount as of January 1, 2011	218	690	1,977	201	154	26	3,266
Acquisitions through business combinations (refer to note 33)	44	232	1,164	85			1,525
Additions		6	38	416	51		511
Capitalization of borrowing costs			2	2			4
Disposals	(1)	(9)	(6)		(2)		(18)
Depreciation for the period		(94)	(501)		(54)	(1)	(650)
Impairment losses	(2)	(5)	(1)				(8)
Transfers to intangible assets				(2)			(2)
Transfers to assets held for sale	(10)	(8)	(3)				(21)
Other transfers	(10)	39	303	(369)	33		(4)
Effect of movements in exchange rates	(2)	(10)	(48)	(3)	(4)	(1)	(68)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
	124	399	1,109	80	110	3	1,825

Carrying amount as of January 1, 2010							
Acquisitions through business combinations (refer to note 33)	83	328	944	64		24	1,443
Additions	10	1	47	223	71		352
Capitalization of borrowing costs				1			1
Disposals	(2)	(6)	(19)		(3)		(30)
Depreciation for the period		(30)	(240)		(46)	(1)	(317)
Impairment losses		(3)	(5)				(8)
Transfers to assets held for sale		12	(13)				(1)
Transfers to intangibles			(3)				(3)
Other transfers		(3)	154	(168)	17		
Effect of movements in exchange rates	3	(8)	3	1	5		4
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**

The depreciation charge of $650 million for the period ended December 31, 2011 (2010: $317 million; 2009: $331 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $625 million; 2010: $302 million; 2009: $318 million), selling, marketing and distribution expenses (2011: $4 million; 2010: $3 million; 2009: $4 million) and general and administration expenses (2011: $21 million; 2010: $12 million; 2009: $9 million).

During the period ended December 31, 2011, the Group incurred an impairment loss of $9 million (2010: $8 million; 2009: $5 million) related to closures of certain facilities. There were no reversals of impairment charges during the period ended December 31, 2011 (2010: none; 2009: none). The recognition and reversal of impairment charges is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 34 for details of the leased assets lessor category of property, plant and equipment. Refer to note 25 for details of security granted over property, plant and equipment and other assets.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

20. Investment properties

	As of December 31, 2011	2010
	(In $ million)	
Cost	44	81
Accumulated depreciation	(9)	(7)
Accumulated impairment losses	(6)	(6)
Balance at the end of the period	**29**	**68**
Balance at the beginning of the period	68	76
Additions	4	4
Disposals	(43)	(16)
Depreciation	(1)	(2)
Transfer from property, plant and equipment	4	
Impairment (losses) reversals	(4)	1
Effect of movements in exchange rates	1	5
Balance at the end of the period	**29**	**68**
Fair value of investment properties	**29**	**68**

Investment properties (mainly industrial real estate), held by the Group s SIG and Closures segments, are leased to third parties. The method for determining the fair value of investment properties is described in note 5.3.

No contingent rents are charged.

The Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2011 totaled $3 million (2010: $3 million; 2009: $3 million).

There were no direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2011 (2010: none; 2009: none).

21. Current and deferred tax assets and liabilities

The current tax asset of $39 million (2010: $109 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authorities. The current tax liability of $164 million (2010: $146 million) represents the amount of income taxes payable in respect of current and prior periods.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

21.1 Unrecognized deferred tax assets

	As of December 31, 2011	2010
	(In $ million)	
Deductible/(taxable) temporary differences	31	20
Tax losses	231	284
Total unrecognized deferred tax assets	**262**	**304**

The tax losses of the Group expire over different time intervals depending on local jurisdiction requirements. Certain deductible temporary differences do not expire under current tax legislation in the jurisdiction where the differences arose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefit.

21.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of the Group s overseas companies when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2011, the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $12 million.

21.3 Movement in recognized deferred tax assets and liabilities

	Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Interest	Tax credits	Unrecognized temporary differences	Unrealized foreign currency exchange	Other items	Net deferr tax asset (liabilit
							(In $ million)							
ance at the nning of period	2	(2)	(194)	(6)	(295)	51	27	104			(13)	7	6	(3
	(6)	27	(20)	6	56	7	(20)	(9)	9	16	(7)	(8)	(9)	

ognized in profit or													
uired in ness binations	(3)	(16)	(308)	(996)	311	27	42		18			86	(8
er luding ign hange and osals)	1		2										
ance as of ember 31, 0	**(6)**	**9**	**(520)**	**(1,235)**	**369**	**34**	**137**	**9**	**34**	**(20)**	**(1)**	**83**	**(1,1**
ognized in profit or	11	(5)	64	62	(10)	(11)	(71)	161	15	(3)	1	(6)	2
uired in ness binations		(2)	(165)	(925)	23	5	372		11	(9)		74	(6
er luding ign hange and osals)		(1)	1	9	(9)	(1)	1			1		2	
ance as of ember 31, 1	**5**	**1**	**(620)**	**(2,089)**	**373**	**27**	**439**	**170**	**60**	**(31)**		**153**	**(1,5**

F-92

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Included in the statement of financial position as:		
Deferred tax assets non-current	27	23
Deferred tax liabilities non-current	(1,539)	(1,130)
Total recognized net deferred tax liabilities	**(1,512)**	**(1,107)**

21.4 Movement in unrecognized deferred taxes

	Tax losses	Taxable temporary differences	Deductible temporary differences	Total unrecognized deferred tax asset
		(In $ million)		
Balance at the beginning of the period	230	1	13	244
Additions and reversals	56	(2)	7	61
Recognition	(6)			(6)
Acquired in business combinations	20			20
Other (including foreign exchange and disposals)	(16)	1		(15)
Balance as of December 31, 2010	**284**		**20**	**304**
Additions and reversals	44		4	48
Recognition	(17)	(1)		(18)
Acquired in business combinations	20		9	29
Other (including foreign exchange and disposals)	(100)	(5)	4	(101)
Balance as of December 31, 2011	**231**	**(6)**	**37**	**262**

22. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
			(In $ million)			

As of December 31, 2011						
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
As of December 31, 2010						
Cost	4,630	1,803	2,147	535	288	9,403
Accumulated amortization		(12)	(280)	(219)	(129)	(640)
Accumulated impairment losses					(15)	(15)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
			(In $ million)			
Carrying amount as of January 1, 2011	4,630	1,791	1,867	316	144	8,748
Acquisitions through business combinations (refer to note 33)	1,735	256	1,651	547	8	4,197
Additions			5	8	5	18
Amortization for the period		(6)	(153)	(106)	(56)	(321)
Transfers from property, plant and equipment				2		2
Other transfers		(6)	(24)		30	
Other (refer to note 2.6)	(53)					(53)
Effect of movements in exchange rates	(26)	(1)	(35)	1	1	(60)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
Carrying amount as of January 1, 2010	1,730	654	635	184	76	3,279
Acquisitions through business combinations (refer to note 33)	2,931	1,114	1,323	189	93	5,650
Other additions			3	9	7	19
Amortization for the period		(5)	(88)	(59)	(33)	(185)
Impairment losses					(15)	(15)
Disposals				(1)		(1)
Transfers from property, plant and equipment				3		3
Other transfers				(15)	15	
Effect of movements in exchange rates	(31)	28	(6)	6	1	(2)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

The amortization charge of $321 million for the period ended December 31, 2011 (2010: $185 million; 2009: $169 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $97 million; 2010: $83 million; 2009: $84 million) and general and administration expenses (2011: $224 million;

2010: $102 million; 2009: $85 million).

Refer to note 25 for details of security granted over the Group s intangible assets.

22.1 Impairment testing for indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangibles with indefinite useful lives and therefore are not subject to amortization. Instead, they are tested for impairment at least annually as well as whenever there is an indication that they may be impaired.

For the purposes of goodwill impairment testing, goodwill is tested at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes.

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at the segment or lower level group of CGUs that supports the indefinite life intangible assets.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each segment are as follows:

	As of December 31,					
	2011			2010		
	Goodwill	Trademarks	Other	Goodwill	Trademarks	Other
	(In $ million)					
SIG Combibloc	807	297		881	298	
Evergreen	41	34		41	34	
Pactiv Foodservice	1,650	526	71			
Reynolds Consumer Products	1,845	850		394	301	
Closures	377			386		
Graham Packaging		250				
Unallocated	1,566			2,928	1,075	78
Total	**6,286**	**1,957**	**71**	**4,630**	**1,708**	**78**

As of the date of these financial statements, provisional goodwill and indefinite life intangible assets of $1,566 million and $250 million, respectively, acquired as a result of the Graham Packaging Acquisition are in the process of being reviewed (refer to note 33) . This process will be completed prior to September 8, 2012. Integration of the Graham Packaging business within the Group is expected to result in synergies within other segments of the Group. Therefore, part of the goodwill from the Graham Packaging Acquisition could be allocated to other segments within the Group. As this process has not yet been finalized, the provisional goodwill related to the Graham Packaging Acquisition is disclosed in the table above as unallocated as of December 31, 2011.

The impairment testing for allocated goodwill and indefinite life identifiable intangible assets was performed by comparing the estimated fair value less cost to sell to the segment s or group of CGUs carrying value of net assets, as applicable.

The estimated fair value has been determined using forecasted 2012 Adjusted EBITDA expected to be generated by the relevant segment or group of CGUs multiplied by an earnings capitalization rate (earnings multiple). The values assigned to key assumptions represent management s assessment of future trends in the segment s industry and are based on both external and internal sources. The forecasted 2012 Adjusted EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. The Forecast 2012 Adjusted EBITDA is subject to review by the Group s CODM. Earnings multiples reflect recent sale and purchase transactions and comparable company EBITDA trading multiples in the same industry. The earnings multiples applied for December 31, 2011 ranged between 7.5x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment or group of CGUs.

As of December 31, 2011, there was no impairment in respect of any allocated goodwill or indefinite life identifiable intangible assets (2010: none; 2009: none). If the forecasted 2012 Adjusted EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as of December 31, 2011, no impairment would need to be recognized.

The Group did not perform a formal impairment test with respect to the indefinite life identifiable intangible assets and unallocated goodwill arising from the Graham Packaging Acquisition due to the proximity of the acquisition date to the statement of financial position date. However, the Group has performed procedures to determine whether there were triggering events that would indicate the unallocated

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

goodwill and indefinite life identifiable intangible assets were impaired. In undertaking these procedures, the Group considered whether qualitative and quantitative factors indicated that an impairment triggering event had occurred. These factors included consideration of the forecasted 2012 Graham Packaging operation s EBITDA, expected future cost savings and general economic conditions compared to similar factors assessed as part of the Graham Packaging Acquisition. The assessments concluded that no impairment triggers existed and, as a result, no impairment existed with respect to the unallocated goodwill and indefinite life identifiable intangible assets as of December 31, 2011.

23. Investments in associates and joint venture equity accounted

Summary of financial information not adjusted for the percentage ownership held by the Group for associates and joint venture (equity method):

	Country of Incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Profit after tax
					(In $ million)							
011												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	69	32	101	(42)	(10)	(52)	114	(98)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	82	27	109	(60)	(2)	(62)	176	(161)	15
ucart vergreen ackaging td Ducart)	Israel	50.0%	December 31	12	2	14	(5)	(1)	(6)	21	(19)	2
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	5	7	12	(3)		(3)	12	(10)	2
clipse losures, LC	USA	49.0%	December 31				(1)		(1)		(1)	(1

raham low Pack rivate imited GBPPL)	India	22.0%	September 30	3	5	8	(2)	(3)	(5)			
				171	**73**	**244**	**(113)**	**(16)**	**(129)**	**323**	**(289)**	**34**
010												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	65	30	95	(51)	(10)	(61)	90	(74)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	76	38	114	(64)	(4)	(68)	161	(145)	16
ucart vergreen ackaging td Ducart)	Israel	50.0%	December 31	13	2	15	(5)	(1)	(6)	19	(17)	2
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	6	6	12	(3)		(3)	13	(11)	2
				160	**76**	**236**	**(123)**	**(15)**	**(138)**	**283**	**(247)**	**36**

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2011 and 2010 have been used with appropriate adjustments being made for the effects of significant transactions and the Group s share of results between these dates and December 31, 2011 and 2010, respectively. No adjustment was made with respect to PPPL for purposes of applying the equity method of accounting as there were no significant events or transactions that occurred between September 30, 2011 and December 31, 2011.

There are currently no restrictions in respect of the transfer of funds to the Group in the form of cash dividends or the repayment of loans associated with its investments in SIG Combibloc Obeikan FZCO and GBPPL.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

23. Investments in associates and joint venture equity accounted (continued)

The Ducart and Banawi associates have limitations to the amount of dividends that the associates may declare. Dividends are limited to the associates accumulated profits after certain local reserve levels have been attained.

Under the restrictions imposed through the Saudi Industrial Development Fund (SIDF) resulting from the Group s concessional funding loan to SIG Combibloc Obeikan Co. Limited, the maximum dividend or cash distribution able to be paid to the Group from this venture in any fiscal year cannot exceed 25% of the paid-up-capital or SIDF loan value.

The Eclipse Closures, LLC joint venture has an annual mandatory tax distribution on or before March 31 of each year to distribute cash to members according to their respective percentage of shares. The distribution is equal to the prior year s profit and highest combined federal and state income taxes at rates payable by any member. However, due to losses incurred, no mandatory tax distribution is due on March 31, 2012.

Movements in carrying values of investments in associates and joint ventures (equity method)

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Balance at the beginning of the period	110	104
Share of profit, net of income tax	17	18
Acquisition through business combination	2	
Disposal, decrease or dilution in investment in associates		(3)
Dividends received	(8)	(4)
Effect of movement in exchange rates	(2)	(5)
Balance at the end of the period	**119**	**110**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**52**	**56**

24. Trade and other payables

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Trade payables	847	712
Related party payables (refer to note 30)	58	24
Other payables and accrued expenses	886	519
Total trade and other payables	**1,791**	**1,255**

Current	1,758	1,246
Non-current	33	9
Total trade and other payables	**1,791**	**1,255**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings

	Note	As of December 31, 2011 (In $ million)	2010
August 2011 Credit Agreement(a)(u)		247	
2009 Credit Agreement(b)(v)			136
Pactiv 2012 Notes(m)(ac)		253	
Current portion of non-interest bearing related party borrowings	30	1	1
Other borrowings(ae)		20	4
Current borrowings		**521**	**141**
August 2011 Credit Agreement(a)(u)		4,243	
2009 Credit Agreement(b)(v)			3,890
August 2011 Senior Secured Notes(c)(w)		1,468	
August 2011 Senior Notes(d)(w)		972	
February 2011 Senior Secured Notes(e)(x)		999	
February 2011 Senior Notes(f)(x)		993	
October 2010 Senior Secured Notes(g)(y)		1,473	1,470
October 2010 Senior Notes(h)(y)		1,466	1,464
May 2010 Notes(i)(z)		980	978
2009 Notes(j)(aa)		1,642	1,648
2007 Senior Notes(k)(ab)		606	621
2007 Senior Subordinated Notes(l)(ab)		530	542
Pactiv 2012 Notes(m)(ac)			261
Pactiv 2017 Notes(n)(ac)		314	316
Pactiv 2018 Notes(o)(ac)		17	17
Pactiv 2025 Notes(p)(ac)		269	269
Pactiv 2027 Notes(q)(ac)		197	197
Graham Packaging 2014 Notes(r)(ad)		367	
Graham Packaging 2017 Notes(s)(ad)		14	
Graham Packaging 2018 Notes(t)(ad)		19	
Related party borrowings	30	23	
Other borrowings(ae)		33	28
Non-current borrowings		**16,625**	**11,701**
Total borrowings		**17,146**	**11,842**

As of December 31,

	2011	2010
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,574	
Transaction costs	(65)	
Original issue discount	(19)	
Carrying amount	**4,490**	
(b) 2009 Credit Agreement (current and non-current)		4,150
Transaction costs		(86)
Original issue discount		(38)
Carrying amount		**4,026**
(c) August 2011 Senior Secured Notes	1,500	
Transaction costs	(33)	
Original issue discount	(11)	
Embedded derivative	12	
Carrying amount	**1,468**	

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(d) August 2011 Senior Notes	1,000	
Transaction costs	(27)	
Original issue discount	(7)	
Embedded derivative	6	
Carrying amount	**972**	
(e) February 2011 Senior Secured Notes	1,000	
Transaction costs	(15)	
Embedded derivative	14	
Carrying amount	**999**	
(f) February 2011 Senior Notes	1,000	
Transaction costs	(17)	
Embedded derivative	10	
Carrying amount	**993**	
(g) October 2010 Senior Secured Notes	1,500	1,500
Transaction costs	(35)	(39)
Embedded derivative	8	9
Carrying amount	**1,473**	**1,470**
(h) October 2010 Senior Notes	1,500	1,500
Transaction costs	(43)	(46)
Embedded derivative	9	10
Carrying amount	**1,466**	**1,464**
(i) May 2010 Notes	1,000	1,000
Transaction costs	(28)	(31)
Embedded derivative	8	9
Carrying amount	**980**	**978**
(j) 2009 Notes	1,707	1,723

Transaction costs	(59)	(69)
Original issue discount	(17)	(19)
Embedded derivative	11	13
Carrying amount	**1,642**	**1,648**
(k) 2007 Senior Notes	621	638
Transaction costs	(15)	(17)
Carrying amount	**606**	**621**
(l) 2007 Senior Subordinated Notes	544	558
Transaction costs	(14)	(16)
Carrying amount	**530**	**542**
(m) Pactiv 2012 Notes	249	249
Fair value adjustment at acquisition	4	12
Carrying amount	**253**	**261**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	16
Carrying amount	**314**	**316**
(o) Pactiv 2018 Notes	16	16

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes	355	
Fair value adjustment at acquisition	5	
Embedded derivative	7	
Carrying amount	**367**	
(s) Graham Packaging 2017 Notes	14	
Carrying amount	**14**	
(t) Graham Packaging 2018 Notes	19	
Carrying amount	**19**	

(u) August 2011 Credit Agreement

The Company and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined below). The August 2011 Credit Agreement comprises the following term and revolving tranches:

Applicable interest

	Maturity date	Original facility value	Value drawn or utilized at December 31, 2011	rate for the period ended December 31, 2011
			(In million)	
Term Tranches				
Tranche B Term Loan ($)(1)	February 9, 2018	2,325	2,283	4.250% - 6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,974	6.500%
European Term Loan ( )	February 9, 2018	250	246	5.000% - 6.750%
Revolving Tranches(2)				
Revolving Tranche ($)	November 5, 2014	120	85	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) In connection with the August 2011 Credit Agreement, the U.S. Term Loans under the February 2011 Credit Agreement were redesignated as Tranche B Term Loans .

(2) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

On September 8, 2011, $2,000 million of incremental term loans were drawn under the August 2011 Credit Agreement. These proceeds, together with the proceeds of the August 2011 Notes (as defined below) and available cash of the Group, were used to finance the Graham Packaging Acquisition (refer to note 33) and to pay related fees and expenses.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

The Company and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (each as defined below and together the Secured Notes). Graham Packaging Holdings Company and its subsidiaries (the Graham Group) have not guaranteed the August 2011 Credit Agreement or granted security to support the obligations under the August 2011 Credit Agreement.

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. Additional principal amortization payments of $50 million per quarter will be payable for so long as certain members of the Graham Group do not guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. The Group also has a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of the Group and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of the Group, in each case calculated in accordance with the August 2011 Credit Agreement (which excludes the assets and EBITDA of the Graham Group) and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of December 31, 2011, the Group was in compliance with all of its covenants.

(v) February 2011 Credit Agreement and 2009 Credit Agreement

The Company and certain members of the Group were parties to a senior secured credit agreement dated February 9, 2011 (the February 2011 Credit Agreement). The February 2011 Credit Agreement amended and restated a senior secured credit agreement dated November 5, 2009 (the 2009 Credit Agreement). On February 1, 2011, the Tranche D Term Loan under the 2009 Credit Agreement was repaid with the proceeds of the February 2011 Notes and on February 9, 2011 the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan under the 2009 Credit Agreement were repaid with the proceeds of the U.S. Term Loan and European Term Loan under the February 2011 Credit Agreement.

(w) August 2011 Notes

On August 9, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together the Reynolds Issuers) issued $1,500 million principal amount of 7.875% senior secured notes due 2019 (the August 2011 Senior Secured Notes) and $1,000 million principal amount of 9.875% senior notes due 2019 (the August 2011 Senior Notes and, together with the August 2011 Senior Secured Notes, the August 2011 Notes). Interest on the August 2011 Notes is paid semi-annually on February 15 and August 15.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(x) February 2011 Notes

On February 1, 2011, the Reynolds Issuers issued $1,000 million principal amount of 6.875% senior secured notes due 2021 (the February 2011 Senior Secured Notes) and $1,000 million principal amount of 8.250% senior notes due 2021 (the February 2011 Senior Notes and, together with the February 2011 Senior Secured Notes, the February 2011 Notes). Interest on the February 2011 Notes is paid semi-annually on February 15 and August 15.

(y) October 2010 Notes

On October 15, 2010, the Reynolds Issuers issued $1,500 million principal amount of 7.125% senior secured notes due 2019 (the October 2010 Senior Secured Notes) and $1,500 million principal amount of 9.000% senior notes due 2019 (the October 2010 Senior Notes and, together with the October 2010 Senior Secured Notes, the October 2010 Notes). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15.

(z) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000 million principal amount of 8.500% senior notes due 2018 (the May 2010 Notes). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

(aa) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125 million principal amount of 7.750% senior secured notes due 2016 and 450 million principal amount of 7.750% senior secured notes due 2016 (collectively, the 2009 Notes). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

The shares in Beverage Packaging Holdings (Luxembourg) I S.A. (BP I) (a wholly owned subsidiary of the Company) have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, BP I and certain subsidiaries of BP I have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms Governing the Notes

As used herein Notes refers to the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Notes and the 2009 Notes.

Certain Guarantee and Security Arrangements

All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

Certain guarantors have granted security over certain of their assets to support the obligations under the Secured Notes. This security is expected to be shared on a first priority basis with the creditors under the August 2011 Credit Agreement.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

Notes Indentures Restrictions

The respective indentures governing the Notes all contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the respective indentures governing the Notes.

Early Redemption Option and Change in Control Provisions

Under the respective indentures governing the Notes, the Reynolds Issuers, at their option, can elect to redeem the Notes under terms and conditions specified in the respective indentures. The terms of the early redemption constitute an embedded derivative. In accordance with the Group s accounting policy for embedded derivatives, the Group has recognized embedded derivatives in relation to the redemption provisions of the indentures governing the respective Notes.

Under the respective indentures governing the Notes, in certain circumstances which would constitute a change in control, the holders of the Notes have the right to require the Reynolds Issuers to repurchase the Notes at a premium.

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010 and ended on November 5, 2011. Additional interest on the May 2010 Notes commenced on May 4, 2011 and ends on May 4, 2012. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. For the period ended December 31, 2011, the Group expensed additional interest of $10 million, $3 million, and $2 million related to the 2009 Notes, May 2010 Notes and October 2010 Notes, respectively. As of December 31, 2011, the accrued additional interest related to these series of notes was $3 million.

(ab) 2007 Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A (BP II) (a wholly owned subsidiary of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15.

The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of BP I held by the Company and the receivables under a loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

August 2011 Credit Agreement have guaranteed the obligations under the 2007 Notes to the extent permitted by law.

The indentures governing the 2007 Notes contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indentures governing the 2007 Notes.

In certain circumstances which would constitute a change in control, the holders of the 2007 Notes have the right to require BP II to repurchase the 2007 Notes at a premium.

(ac) Pactiv Notes

As of December 31, 2011 and December 31, 2010, the Group had outstanding**:**

$249 million in principal amount of 5.875% Notes due 2012 which were issued by Pactiv (as defined in note 33) (the Pactiv 2012 Notes);

$300 million in principal amount of 8.125% Debentures due 2017 which were issued by Pactiv (the Pactiv 2017 Notes);

$16 million in principal amount of 6.400% Notes due 2018 which were issued by Pactiv (the Pactiv 2018 Notes);

$276 million in principal amount of 7.950% Debentures due 2025 which were issued by Pactiv (the Pactiv 2025 Notes); and

$200 million in principal amount of 8.375% Debentures due 2027 which were issued by Pactiv (the Pactiv 2027 Notes),

(together, the Pactiv Notes).

For each of the Pactiv Notes, interest is paid semi-annually:

on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;

on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and

on the Pactiv 2027 Notes, April 15 and October 15.

The Pactiv Notes are not guaranteed by any member of the Group and are unsecured.

The indentures governing the Pactiv Notes contain a negative pledge clause limiting the ability of certain entities within the Group, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on principal manufacturing properties (as such term is defined in the indentures governing the Pactiv Notes) or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing property and (ii) sell and then take an immediate lease back of such principal manufacturing property.

The Pactiv 2012 Notes, the Pactiv 2017 Notes, the Pactiv 2018 Notes and the Pactiv 2027 Notes may be redeemed at any time at the Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption.

Refer to note 38 for further information regarding the repayment of the Pactiv 2012 Notes subsequent to December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ad) Graham Packaging Notes

As of December 31, 2011, the Group had outstanding:

$355 million in principal amount of 9.875% senior subordinated notes due 2014, which were issued by Graham Packaging Company L.P. and GPC Capital Corp. I (the Graham Issuers) (the Graham Packaging 2014 Notes);

$14 million in principal amount of 8.250% senior notes due 2017, which were issued by the Graham Issuers (the Graham Packaging 2017 Notes); and

$19 million in principal amount of 8.250% senior notes due 2018, which were issued by the Graham Issuers (the Graham Packaging 2018 Notes),

(together, the Graham Packaging Notes).

For each of the Graham Packaging Notes, interest is paid semi-annually:

on the Graham Packaging 2014 Notes, April 15 and October 15;

on the Graham Packaging 2017 Notes, January 1 and July 1; and

on the Graham Packaging 2018 Notes, April 1 and October 1.

The Graham Packaging Notes are guaranteed by certain members of the Graham Group and are unsecured.

The respective indentures governing the Graham Packaging Notes all contain customary covenants which restrict the Graham Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets, making restricted payments and entering into certain transactions with affiliates (which would include transactions with members of the Group that are not members of the Graham Group), in each case except as permitted under the respective indentures governing the Graham Packaging Notes.

The Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption plus a premium. The Graham Packaging 2014 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to (i) from October 15, 2011 through October 14, 2012, 101.646% of the outstanding principal of amount thereof; and (ii) thereafter, 100% of the outstanding principal amount thereof; plus, in each case, any accrued and unpaid interest to the date of redemption.

On the date of the Graham Packaging Acquisition, the Group acquired principal amounts of $253 million and $250 million of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, respectively. Following the closing of the Graham Packaging Acquisition, the Graham Issuers launched a change of control offer on

September 16, 2011 (the Change of Control Offer) to re-purchase for cash any or all of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes pursuant to the respective indentures governing such notes. On October 20, 2011 principal amounts of $239 million of the Graham Packaging 2017 Notes and $231 million of the Graham Packaging 2018 Notes were re-purchased pursuant to the Change of Control Offer. The Group paid a total of $482 million for the payment of principal, accrued interest and the change of control premium for the above notes tendered in the Change of Control Offer.

Refer to note 38 for further information regarding the repayment of the Graham Packaging Notes subsequent to December 31, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ae) Other borrowings

As of December 31, 2011, in addition to the August 2011 Credit Agreement, the Notes, the 2007 Notes, the Pactiv Notes, and the Graham Packaging Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of December 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of December 31, 2011, the secured facilities were utilized in the amount of $25 million (2010: $4 million) in the form of letters of credit and bank guarantees.

Other borrowings as of December 31, 2011, also included finance lease obligations of $28 million (2010: $28 million).

Term and debt repayment schedule

					As of December 31,			
	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
					(In $ million)			
August 2011 Credit Agreement:								
Tranche B Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	2,283	2,268		
Tranche C Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	1,974	1,906		
European Term Loan		EURIBOR with a floor of 1.500% + 5.250%		2018	317	316		
2009 Credit Agreement:								
Tranche A	$	LIBOR with a floor of 1.750% + 4.500%	6.250%	Repaid			500	485

Tranche B	$	LIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			1,016	980
Tranche C	$	LIBOR with a floor of 1.500% + 4.750%	6.250%	Repaid			790	767
Tranche D	$	LIBOR with a floor of 1.750% + 4.750%	6.500%	Repaid			1,520	1,474
European Term Loan		EURIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			324	320
August 2011 Senior Secured Notes	$	7.875%		2019	1,500	1,468		
August 2011 Senior Notes	$	9.875%		2019	1,000	972		
February 2011 Senior Secured Notes	$	6.875%		2021	1,000	999		
February 2011 Senior Notes	$	8.250%		2021	1,000	993		
October 2010 Senior Secured Notes	$	7.125%	7.125%	2019	1,500	1,473	1,500	1,470
October 2010 Senior Notes	$	9.000%	9.000%	2019	1,500	1,466	1,500	1,464
May 2010 Notes	$	8.500%	8.500%	2018	1,000	980	1,000	978
2009 Notes		7.750%	7.750%	2016	582	571	598	585
2009 Notes	$	7.750%	7.750%	2016	1,125	1,071	1,125	1,063
2007 Senior Notes		8.000%	8.000%	2016	621	606	638	621
2007 Senior Subordinated Notes		9.500%	9.500%	2017	544	530	558	542
Pactiv 2012 Notes	$	5.875%	5.875%	2012	249	253	249	261
Pactiv 2017 Notes	$	8.125%	8.125%	2017	300	314	300	316

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
					As of December 31, (In $ million)			
Pactiv 2018 Notes	$	6.400%	6.400%	2018	16	17	16	17
Pactiv 2025 Notes	$	7.950%	7.950%	2025	276	269	276	269
Pactiv 2027 Notes	$	8.375%	8.375%	2027	200	197	200	197
Graham Packaging 2014 Notes	$	9.875%		2014	355	367		
Graham Packaging 2017 Notes	$	8.250%		2017	14	14		
Graham Packaging 2018 Notes	$	8.250%		2018	19	19		
Related party borrowings	NZ$			n/a	1	1	1	1
Related party borrowings		EURIBOR with a floor of 2.000% + 4.875%		n/a	23	23		
Finance lease liabilities	Various	Various	Various	Various	28	28	28	28
Other borrowings	Various	Various	Various	Various	25	25	4	4
					17,452	**17,146**	**12,143**	**11,842**

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2011 Minimum lease payments	2011 Interest	2011 Principal	2010 Minimum lease payments	2010 Interest	2010 Principal
	As of December 31, (In $ million)					

Less than one year	3	1	2	5	2	3
Between one and five years	11	6	5	13	6	7
More than five years	27	6	21	26	8	18
Total finance lease liabilities	**41**	**13**	**28**	**44**	**16**	**28**

26. Employee Benefits

	As of December 31,	
	2011	2010
	(In $ million)	
Salary and wages accrued	128	134
Provision for annual leave	64	32
Provision for employee benefits	8	5
Provision for long service leave	15	5
Provision for sick leave	6	5
Defined contribution obligations	34	31
Defined benefit obligations:		
Pension benefits	766	785
Post-employment medical benefits	140	169
Total employee benefits	**1,161**	**1,166**
Current	227	195
Non-current	934	971

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Total employee benefits	**1,161**	**1,166**

26.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, United Kingdom, Mexico and the United States. The Group s most significant plan as of December 31, 2011 is the Pactiv Retirement Plan, which comprises 80% (2010: 85%), of the Group s present value of obligations. The plan was assumed as part of the Pactiv Acquisition.

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Present value of unfunded obligations	157	228
Present value of funded obligations	5,276	4,708
Unrecognized actuarial gains (losses)	(484)	129
Total present value of obligations	**4,949**	**5,065**
Fair value of plan assets	(4,261)	(4,433)
Asset capping according to IAS 19, paragraph 58		135
Total pension benefits	**688**	**767**
Included in the statement of financial position as:		
Employee benefits liabilities	766	785
Assets held for sale	(1)	
Other non-current assets and non-current receivables	(77)	(18)
Total pension benefits	**688**	**767**

Movement in the defined benefit obligation

As of December 31,

	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	4,936	718
Defined benefit obligations assumed in business combinations	241	4,267
Current service cost	29	14
Past service cost		11
Interest cost	245	55
Contributions by plan participants	2	2
Benefits paid by the plan	(341)	(92)
Curtailments(a)	3	
Settlements(b)		(39)
Actuarial (gains) losses on plan liabilities	349	(40)
Changes in actuarial assumptions		1

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

	As of December 31, 2011	2010
	(In $ million)	
Reclassifications from employee benefits		(2)
Defined benefit obligations related to disposals of businesses(a)	(18)	
Effect of movements in exchange rates	(13)	41
Liability for defined benefit obligations at the end of the period	**5,433**	**4,936**

(a) During 2011, certain personnel participating under the SIG pension and welfare fund of SIG Schweizerische Industrie Gesellschaft AG were terminated without further plan benefits through a management buy-out which resulted in a curtailment loss of $3 million.

On September 1, 2011, the Group announced to participants in the Pactiv Retirement Plan that the plan was being frozen and that no future benefits would be earned effective January 1, 2012. There was no curtailment impact on comprehensive income as a result of freezing the plan and no effect on the plan s defined benefit obligation.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition in November 2010 (refer to note 33). Certain settlements made in the period ended December 31, 2010, were not funded by plan assets.

Of the above liability for the defined benefit obligation, the liability related to the Pactiv Retirement Plan was $4,254 million as of December 31, 2011 (2010: $4,086 million).

Expense recognized in the statements of comprehensive income

	For the period ended December 31, 2011	2010	2009
		(In $ million)	
Current service cost	29	14	14
Past service cost		11	10
Interest cost	245	55	29
Expected return on plan assets	(312)	(67)	(29)
Curtailments	3		(3)
Asset capping according to IAS 19, paragraph 58		(37)	49
Changes in actuarial assumptions			1

Actuarial (gains) losses	10	34	(45)
Total plan net (income) expense	**(25)**	**10**	**26**

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Cost of sales	22	13	18
General and administration expenses	(47)	(3)	8
Total plan (income) expense	**(25)**	**10**	**26**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

During the period ended December 31, 2011, the net plan income of the Pactiv Retirement Plan was $49 million (2010: $5 million net plan expense for the period from November 16, 2010 to December 31, 2010).

Movement in plan assets

	As of December 31,	
	2011	2010
	(In $ million)	
Fair value of the plan assets at the beginning of the period	4,433	736
Plan assets assumed in business combinations	123	3,546
Contributions by the Group	27	67
Contributions by plan participants	2	2
Benefits paid by the plans	(341)	(92)
Expected return on plan assets	312	67
Actuarial gains (losses) on plan assets	(277)	81
Settlements		(39)
Plan assets related to disposals of businesses	(18)	
Effects of movements in exchange rates		63
Transfer of assets to the plan		2
Fair value of plan assets at the end of the period	**4,261**	**4,433**

The above plan assets as of December 31, 2011 and 2010 include the Pactiv Retirement Plan assets of $3,362 million and $3,622 million, respectively. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As of December 31, 2011 and 2010, $27 million and $28 million in cash, respectively, included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As of December 31,	
	2011	2010
	(In $ million)	
Equity instruments	2,620	2,858
Debt instruments	1,270	1,304
Property	214	207
Other	157	64

Total plan assets	**4,261**	**4,433**
Actual return on plan assets	**35**	**148**

The actual return on plan assets includes the actual return on plan assets of the Pactiv Retirement Plan of $21 million for the period ended December 31, 2011 and $125 million for the period from November 16, 2010 to December 31, 2010.

The Group expects to contribute $36 million to the pension plans during the annual period beginning after the reporting date.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Actuarial assumptions all plans

	For the period ended December 31,		
	2011	**2010**	**2009**
Discount rates at December 31	1.8% - 8.25%	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	2.0% - 9.0%	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 5.0%	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 4.0%	0.0% - 2.0%	0.0% - 2.0%

The expected long-term rate of return for each plan is based on the portfolio as a whole and not on the sum of the returns on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The actuarial assumptions on the Group s most significant defined benefit pension plan for the period ended December 31, 2011 and 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31,	
	2011	**2010**
Discount rates at December 31	4.8%	5.2%
Expected returns on plan assets at January 1	7.8%	7.8%
Future salary increases	%	4.0%
Future pension increases	%	2.7%

The actuarial assumptions on the Group s most significant defined benefit pension plan prior to the Pactiv Acquisition in November 2010, being the SIG Combibloc Group AG plan, are as follows:

	For the period ended December 31,	
	2010	**2009**
Discount rates at December 31	3.3%	3.5%
Expected returns on plan assets at January 1	4.2%	4.3%
Future salary increases	2.5%	2.0%
Future pension increases	2.0%	1.0%

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Historical information

	For the period ended December 31,				
	2011	2010	2009	2008	2007
	(In $ million)				
Liability for the defined benefit obligations	(5,433)	(4,936)	(718)	(694)	(621)
Fair value of plan assets	4,261	4,433	736	665	674
Plan (deficit) surplus	**(1,172)**	**(503)**	**18**	**(29)**	**53**
Experience adjustments arising on plan liabilities	(99)	(3)	(4)	1	
Experience adjustments arising on plan assets	(277)	14	(46)	9	

The assumed discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in assumed discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	7	(5)
Effect on the defined benefit obligation	(274)	267

The expected rates of return on plan assets have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in expected rates of return on plan assets would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	22	(22)
Effect on the defined benefit obligation		

26.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans mainly in the United States. The liability for the post-employment medical benefits has been assessed using the same assumptions as for the pension benefits, together with the assumption of a weighted average healthcare cost trend rate of 8.0% in 2011 (2010: 7.9% and 2009: 8.0%).

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2011 and 2010.

	As of December 31,	
	2011	**2010**
	(In $ million)	
Present value of unfunded obligations	147	158
Unrecognized actuarial gains (losses)	(7)	3
Unrecognized past service costs	5	8
Total present value of obligations	145	169
Fair value of plan assets		
Total post-employment medical benefits	**145**	**169**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The Group expects to contribute $9 million to the post-employment medical benefit plans during the annual period ending December 31, 2012.

Movement in the defined benefit obligation

	For the period ended December 31,	
	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	158	87
Defined benefit obligations assumed in a business combination	1	71
Current service cost	3	2
Interest cost	8	5
Past service cost(b)	(7)	
Contributions by plan participants	4	1
Benefits paid by the plan	(12)	(3)
Plan amendments(a)		(1)
Curtailments(b)	(17)	
Actuarial (gains) losses recognized	9	(4)
Liability for defined benefit obligations at the end of the period	**147**	**158**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $1 million.

(b) On August 8, 2011, the Group terminated Pactiv retiree medical coverage, except for those who retired prior to 2003, which resulted in a curtailment gain of $17 million. The Group also capped the retiree life insurance benefit associated with the retiree medical plan. These actions resulted in a reduction of $7 million in past service costs during the period ended December 31, 2011.

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Current service cost	3	2	3

Interest cost	8	5	5
Past service cost	(10)	(2)	(2)
Curtailments	(17)		5
Actuarial losses recognized			1
Plan amendments		(1)	
Total (income) expense recognized in the statement of comprehensive income	**(16)**	**4**	**12**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Cost of sales	5	4	7
General and administration expenses	(21)		5
Total plan (income) expense	**(16)**	**4**	**12**

Assumed health care cost trend rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in assumed health care cost trend rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	4	(3)

Discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	(8)	9

Historical information

	For the period ended December 31,				
	2011	2010	2009	2008	2007
	(In $ million)				
Present value of the defined benefit obligation	147	158	87	86	25

Experience adjustments arising on plan liabilities	3	5	(1)

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

27. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Balance as of December 31, 2010	41	12	17	35	55	160
Acquisitions through business combinations	12	4	1	12	20	49
Provisions made	2	8	90	18	18	136
Provisions used	(9)	(13)	(69)	(15)	(9)	(115)
Provisions reversed	(5)	(2)	(2)		(1)	(10)
Transfers to other liabilities	(3)	2	(1)		9	7
Effect of movements in exchange rates	(1)				(1)	(2)
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Total Provisions as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	16	12	17	17	12	74
Non-current	25			18	43	86
Total Provisions as of December 31, 2010	**41**	**12**	**17**	**35**	**55**	**160**

Legal

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. While it is not possible to predict the outcome of any of these matters, based on management s assessment of the facts and circumstances now known, management does not believe any of these matters, individually or in the aggregate, will have a material effect on the Group s financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on the Group s financial position, results of operations or cash flows in a particular future period.

Warranty

A provision for warranty is recognized for all products under warranty as of the reporting date based on sales volumes and past experience of the level of problems reported and product returns.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

Workers compensation

The Group has elected to self-insure certain of its workers compensation obligations in the United States.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

27. Provisions (continued)

Under the self-insurance programs in the United States, the Group retains the risk of work related injuries for any employees covered under the scheme.

The liability in respect of the self-insurance programs is estimated on an actuarial basis to reflect all claims incurred, including reported claims and those that are incurred but not yet reported. All changes in the liability for claims are recognized immediately in the statement of comprehensive income.

As a result of the Group s self-insured status in the United States, the risk presently exists that an insurable event may occur which will result in a claim which cannot be readily quantified financially. By their very nature, risks of this type are inherently random and therefore unpredictable. The Group mitigates this risk by having established and approved occupational health and safety procedures in addition to resources directed to the management of claims and rehabilitation.

As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size.

Other provisions

The main components of other provisions are lease provisions and contingent liabilities recognized in acquisitions, environmental remediation, asset retirement obligations, brokerage provisions for customs duties, and rent contracts related to investment properties. Other provisions as of December 31, 2011 included $26 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition and the Dopaco Acquisition, $17 million related to asset retirement obligations, which were acquired in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $10 million related to environmental remediation programs. Other provisions as of December 31, 2010 included $29 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition, $5 million related to a contingent tax liability acquired in the Pactiv Acquisition and $9 million related to environmental remediation programs.

28. Equity

28.1 Share capital

The reported share capital balance as of December 31, 2011 is that of the Company, which is the sole parent of the Group.

In accordance with the Group s accounting policy in respect of common control transactions (refer to note 3.1(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that the common control originally commenced rather than the date that the common control transactions actually occurred. As a result, the reported share capital balance as of January 1, 2010, is that of the Company, EPI, Evergreen Packaging International B.V. (EPIBV), Reynolds Packaging Inc. (RPI) (now named Reynolds Packaging Holdings LLC), and Reynolds Packaging International B.V. (RPIBV).

On September 1, 2010, the issued capital of RPI and RPIBV was acquired by entities controlled by the Company. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $149 million difference between the consideration paid of $342 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $193 million has been recognized as a debit to other reserves which is a component of equity.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

On May 4, 2010, the issued capital of EPI and EPIBV was acquired by entities controlled by the Company. From this date, each of EPI and EPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $899 million difference between the consideration paid of $1,612 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $713 million has been recognized as a debit to other reserves which is a component of equity.

On November 5, 2009, the issued capital of Reynolds Consumer Products Holdings Inc. (RCPHI) (now named Reynolds Consumer Products Holdings LLC), Reynolds Consumer Products International B.V. (RCPIBV) and Closure Systems International B.V. (CSIBV) was acquired by entities controlled by the Company. From this date, each of RCPHI, RCPIBV, and CSIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $584 million difference between the consideration paid of $1,692 million (representing the fair value of the businesses acquired determined at the date of the common control acquisitions) and the share capital acquired of $1,108 million has been recognized as a debit to other reserves which is a component of equity.

A summary of the impact of these transactions recognized in other reserves within equity is as follows:

	Reynolds Consumer	Closures	Evergreen	Reynolds Foodservice
		(In $ million)		
Total consideration	984	708	1,612	342
Net book value of share capital of the acquired businesses	(641)	(467)	(713)	(193)
Difference between total consideration and book value of share capital of the acquired business (recognized in other reserves within equity)	343	241	899	149

During the period ended December 21, 2010, the Group recognized a total adjustment of $1,048 million (2009: $584 million) for the above common control transaction related to the Evergreen and Reynolds Foodservice acquisitions as a component of other reserves within equity.

Further information regarding Reynolds Group Holdings Limited issued capital is detailed below:

	For the period ended December 31,		
	2011	2010	2009
		Number of shares	
Balance as of the beginning of the period	111,000,004	111,000,003	51,000,001
Issue of shares		1	60,000,002

Balance as of December 31	**111,000,004**	**111,000,004**	**111,000,003**

All issued shares are fully paid and have no par value.

On November 16, 2010, the Company issued to its sole shareholder, Packaging Finance Limited (PFL), 1 fully paid ordinary share at an issue price of NZ$414 million ($322 million) per share.

On November 6, 2009, the Company issued to PFL, 1 fully paid ordinary share at an issue price of NZ$760 million ($544 million) per share.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

On September 29, 2009, loans payable by the Company to BPC Finance (N.Z.) Limited (BPCF) in the amount of NZ$478 million ($342 million), to CHHL in the amount of NZ$473 million ($338 million) and to Packaging Holdings Limited (PHL) in the amount of NZ$96 million ($69 million) were novated in exchange for the issue of 1 ordinary share to PFL at an issue price of NZ$1,047 million ($749 million).

On August 14, 2009, the Company issued to PFL 60,000,000 fully paid ordinary shares at an issue price of NZ$1 per share (NZ$60 million, or $41 million) in exchange for payment of outstanding related party borrowings.

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to the Company s residual assets in the event of a wind-up.

28.2 Reserves

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Translation reserve	348	369	76
Other reserves	(1,561)	(1,561)	(513)
Balance	**(1,213)**	**(1,192)**	**(437)**

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currencies to the Group s presentation currency.

Other reserves

The other reserves comprise balances resulting from transactions with entities under common control.

In accordance with the Group s accounting policy for transactions under common control (refer to note 3.1(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010 (refer to Note 28.1).

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions.

28.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2011 (2010: none; 2009: none) by the Company.

On August 31, 2010, RPI paid a dividend of $39 million, of which $38 million was paid in cash and $1 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

28.4 Capital management

The Directors are responsible for monitoring and managing the Group s capital structure. Capital is comprised of equity and external borrowings.

The Directors policy is to maintain an acceptable capital base to promote the confidence of the Group s financiers and creditors and to sustain the future development of the business. The Directors monitor the Group s financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures, including for example to dispose of assets or operating segments of the business, alter its short to medium term plans in respect of capital projects and working capital levels, or to re-balance the level of equity and external debt in place.

29. Financial risk management

29.1 Overview

This note presents information about the Group s exposure to market risk, credit risk and liquidity risk, and where applicable, the Group s objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arises in the normal course of the Group s business. The Directors of the Group and the ultimate parent entity have overall responsibility for the establishment and oversight of the Group s risk management framework.

The Directors have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Risk management is primarily carried out by the treasury function of the Group. The Directors have delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the treasury function.

Monthly combined treasury reports are prepared for the Directors and officers of the Group, who ensure compliance with the risk management policies and procedures.

29.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Group s cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes.

(a) Foreign exchange risk

Translation risk

As a result of the Group s international operations, foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ( ), Mexican Pesos (MXN), New Zealand Dollars (NZ$) and Canadian Dollars (CA$).

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

In accordance with the Group s treasury policy, the Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate, the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

Exposure to foreign exchange risk

		MXN	NZ$	CA$
		(In $ million)		
As of December 31, 2011				
Cash and cash equivalents	99	11		7
Trade and other receivables	141	73	22	21
Non-current receivables	7		271	
Trade and other payables	(209)	(43)	(18)	(12)
Loans and borrowings:				
August 2011 Credit Agreement	(316)			
2009 Notes	(571)			
2007 Senior Notes	(606)			
2007 Senior Subordinated Notes	(530)			
Other borrowings	(1)			
Related party borrowings	(23)		(1)	
Total exposure	**(2,009)**	**41**	**274**	**16**
Embedded derivative	9			
Commodity derivative	(3)			
Effect of derivative contracts	6			
Net exposure	**(2,003)**	**41**	**274**	**16**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

		MXN	NZ$	CA$
		(In $ million)		
As of December 31, 2010				
Cash and cash equivalents	81	9	1	14
Trade and other receivables	120	47	11	13
Non-current receivables	24		256	
Trade and other payables	(152)	(16)	(10)	(2)
Loans and borrowings:				
2009 Credit Agreement	(320)			
2009 Notes	(585)			
2007 Senior Notes	(621)			
2007 Senior Subordinated Notes	(542)			
Other borrowings	(2)			
Related party borrowings			(1)	
Total exposure	**(1,997)**	**40**	**257**	**25**
Embedded derivative	16			
Commodity derivative				
Effect of derivative contracts	16			
Net exposure	**(1,981)**	**40**	**257**	**25**

Cash flows associated with derivatives are expected to occur and impact the profit or loss component of the statement of comprehensive income in the next twelve months.

In addition to the above, the Group is exposed to foreign exchange risk on future sales and purchases that are denominated in foreign currencies.

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31,		As of December 31,	
	2011	2010	2011	2010

1	1.39	1.33	1.32	1.33
10 MXN	0.80	0.79	0.71	0.81
1 NZ $	0.79	0.72	0.77	0.77
1 CA $	1.01	0.97	0.98	1.00

Sensitivity analysis

A change in exchange rates would impact future payments and receipts of the Group s assets and liabilities denominated in foreign currencies. A 10% strengthening or weakening of the $ against the following currencies at the reporting date would have (increased) decreased comprehensive income in the statement of

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Comprehensive income for the period ended December 31, 2011 10% strengthening of $ (In $ million)	10% weakening of $
	(200)	200
MXN	4	(4)
NZ $	27	(27)
CA $	2	(2)

The Group s primary exposure to foreign exchange risk is on the translation of net assets of Group entities which are denominated in currencies other than $, which is the Group s reporting currency. The impact of movements in exchange rates is therefore recognized in other comprehensive income.

Transaction risk

The Group has $1,583 million of $ denominated notes in an entity with a functional currency of . A 10% strengthening of the $ against the would have resulted in a $158 million loss recognized as a financial expense in the statement of comprehensive income. A 10% weakening would have an equal but opposite effect.

Certain subsidiaries within the Group are exposed to foreign exchange risk on intercompany borrowings, sales and purchases denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the net operating profit recognized in the profit or loss component of the Group s statement of comprehensive income.

(b) Interest rate risk

The Group s interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group has exposure to both floating and fixed interest rates on borrowings primarily denominated in $ and .

Interest rate risk on borrowings at floating rates is partially offset by interest earned on cash deposits also at floating rates.

The Group has adopted a policy, which is consistent with the covenants under the August 2011 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out the Group s interest rate risk repricing profile:

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2011						
Fixed rate instruments						
Loans and borrowings:						
August 2011 Senior Secured Notes	(1,500)					(1,500)
August 2011 Senior Notes	(1,000)					(1,000)
February 2011 Senior Secured Notes	(1,000)					(1,000)
February 2011 Senior Notes	(1,000)					(1,000)
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,707)				(1,707)	
2007 Senior Notes	(621)					(621)
2007 Senior Subordinated Notes	(544)					(544)
Pactiv 2012 Notes	(249)		(249)			
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Graham Packaging 2014 Notes	(355)				(355)	
Graham Packaging 2017 Notes	(14)					(14)
Graham Packaging 2018 Notes	(19)					(19)
Other borrowings	(33)	(4)	(1)	(2)	(4)	(22)
Total fixed rate instruments	**(12,834)**	**(4)**	**(250)**	**(2)**	**(2,066)**	**(10,512)**
Floating rate instruments						
Cash and cash equivalents	597	597				
Related party receivables	271	271				
Bank overdrafts	(3)	(3)				
Loans and borrowings:						
August 2011 Credit Agreement	(4,574)	(4,574)				
Related party borrowings	(24)	(24)				
Other borrowings	(20)	(19)		(1)		
Total variable rate instruments	**(3,753)**	**(3,752)**		**(1)**		

Total	**(16,587)**	**(3,756)**	**(250)**	**(3)**	**(2,066)**	**(10,512)**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,723)					(1,723)
2007 Senior Notes	(638)					(638)
2007 Senior Subordinated Notes	(558)					(558)
Pactiv 2012 Notes	(249)			(249)		
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Other borrowings	(31)	(1)	(2)	(1)	(1)	(26)
Total fixed rate instruments	**(7,991)**	**(1)**	**(2)**	**(250)**	**(1)**	**(7,737)**
Floating rate instruments						
Cash and cash equivalents	664	664				
Related party receivables	256	256				
Bank overdrafts	(12)	(12)				
Loans and borrowings:						
2009 Credit Agreement	(4,150)	(4,150)				
Related party borrowings	(1)	(1)				
Other borrowings	(3)	(3)				
Total variable rate instruments	**(3,246)**	**(3,246)**				
Total	**(11,237)**	**(3,247)**	**(2)**	**(250)**	**(1)**	**(7,737)**

The Group s sensitivity to interest rate risk can be expressed in two ways:

Fair value sensitivity analysis

A change in interest rates impacts the fair value of the Group s fixed rate borrowings. Given all debt instruments are carried at amortized cost, a change in interest rates would not impact the profit or loss component of the statement of comprehensive income.

Cash flow sensitivity analysis

A change in interest rates would impact future interest payments and receipts on the Group s floating rate assets and liabilities. An increase or decrease in interest rates of 100 basis points at the reporting date would impact the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

variables, in particular foreign currency exchange rates, remain constant. The analysis is performed on the same basis for comparative periods.

As of December 31, 2011, most of the Group s debt has been issued with a fixed interest rate. While interest on the August 2011 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor of between 1.25% and 1.50%. Given current LIBOR/EURIBOR rates, a 1% decrease in interest rates would have no impact on interest expense on this facility due to the LIBOR floor. However, a 1% increase in interest rates would have a $3 million impact on interest expense.

(c) Commodity and other price risk

Commodity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group s exposure to commodity and other price risk arises principally from the purchase of resin (and its components), natural gas and aluminum. Other than resin, natural gas and certain aluminum purchases, the Group generally purchases these commodities at spot market prices and commodity financial instruments or derivatives to hedge commodity prices are not used.

The Group s objective is to ensure that its commodity and other price risk exposure is kept at an acceptable level. In accordance with the Group s treasury policy, the Group enters into derivative instruments to hedge the Group s exposure in relation to the cost of resin, natural gas and aluminum.

The following table provides the detail of out outstanding derivative contracts as of December 31, 2011:

Type	Unit of measure	Contracted volumes		Contracted price range	Contracted date of maturity
Resin futures	LB	18,000,000	$	0.98 - $1.00	Jan 2012 - Dec 2012
Resin futures	MT	10,000		1,420	Jul 2012 - Oct 2012
Resin futures	KL	16,900		JPY 48,100 - 51,700	Jan 2012 - Aug 2012
Aluminum swaps	MT	29,171	$	1,940 - $2,816	Jan 2012 - Dec 2014
Natural gas swaps	MMBTU	2,742,627	$	3.33 - $4.88	Jan 2012 - Feb 2013
Ethylene swaps	LB	11,637,600	$	0.43 - $0.62	Feb 2012 - June 2012
Benzene swaps	GAL	4,299,389	$	3.45 - $3.84	Feb 2012 - June 2012

The fair values of the derivative contracts are based on quoted market prices or traded exchange market prices and represent the estimated amounts that the Group would pay or receive to terminate the contracts. During the period ended December 31, 2011, the Group recognized an unrealized loss of $26 million (2010: unrealized gain of $4 million; 2009: unrealized gain of $129 million) as a component of other income in the statements of comprehensive income. During the period ended December 31, 2011, the Group recognized a realized gain of $7 million (2010: realized loss of $11 million; 2009: realized loss of $96 million) as a component of cost of sales in the statements of comprehensive income.

The impact on the statement of comprehensive income from a revaluation of derivative contracts at December 31, 2011 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $15 million (2010: none; 2009: gain of $13 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group s receivables from customers and related entities.

Given the diverse range of operations and customers across the Group, the Directors have delegated authority for credit control procedures to each of the segments within the Group. Each operating business is responsible for managing its own credit control procedures. These include but are not limited to reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade. If considered appropriate the operating business may take out insurance for specific debtors.

Generally the Group does not require collateral in respect of trade and other receivables. Goods are generally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. For certain sales letters of credit are obtained.

The Group s exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 16.

Historically there has been a low level of losses resulting from default by customers and related entities. The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by making deposits and entering into derivative instruments with counterparties that have a credit rating of at least investment grade. Given these high credit ratings, management does not expect any such counterparty to fail to meet its obligations.

29.4 Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group s approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with bank covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. As of December 31, 2011, the Group had undrawn lines of credit under the revolving facilities of the August 2011 Credit Agreement totaling $35 million and 63 million ($82 million) (2010: $71 million and 56 million ($74 million) under the 2009 Credit Agreement). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out contractual cash flows for all financial liabilities including commodity derivatives.

	Carrying amount	Total	6 months or less	6 to 12 months (In $ million)	1 to 2 years	2 to 5 years	More than 5 years
As of December 31, 2011							
Non-derivative financial liabilities							
Bank overdrafts	(3)	(3)	(3)				
Trade and other payables	(1,758)	(1,758)	(1,758)				
Non-current payables	(33)	(33)			(33)		
Loans and borrowings:							
August 2011 Credit Agreement	(4,490)	(6,142)	(271)	(267)	(522)	(1,471)	(3,611)
August 2011 Senior Secured Notes	(1,468)	(2,444)	(59)	(59)	(118)	(354)	(1,854)
August 2011 Senior Notes	(972)	(1,789)	(49)	(49)	(99)	(296)	(1,296)
February 2011 Senior Secured Notes	(999)	(1,652)	(34)	(34)	(69)	(206)	(1,309)
February 2011 Senior Notes	(993)	(1,784)	(41)	(41)	(83)	(248)	(1,371)
October 2010 Senior Secured Notes	(1,473)	(2,301)	(53)	(53)	(107)	(321)	(1,767)
October 2010 Senior Notes	(1,466)	(2,514)	(68)	(68)	(135)	(405)	(1,838)
May 2010 Notes	(980)	(1,554)	(43)	(43)	(85)	(255)	(1,128)
2009 Notes	(1,642)	(2,368)	(66)	(66)	(132)	(2,104)	
2007 Senior Notes	(606)	(870)	(25)	(25)	(50)	(770)	
2007 Senior Subordinated Notes	(530)	(803)	(26)	(26)	(52)	(699)	
Pactiv 2012 Notes	(253)	(264)	(7)	(257)			
Pactiv 2017 Notes	(314)	(433)	(12)	(12)	(24)	(73)	(312)
Pactiv 2018 Notes	(17)	(23)	(1)	(1)	(1)	(3)	(17)
Pactiv 2025 Notes	(269)	(584)	(11)	(11)	(22)	(66)	(474)
Pactiv 2027 Notes	(197)	(459)	(8)	(8)	(17)	(50)	(376)
Graham Packaging 2014 Notes	(367)	(461)	(18)	(18)	(35)	(390)	
Graham Packaging 2017 Notes	(14)	(21)	(1)	(1)	(1)	(3)	(15)
Graham Packaging 2018 Notes	(19)	(31)	(1)	(1)	(2)	(5)	(22)
Related party borrowings	(24)	(39)	(1)	(2)	(2)	(5)	(29)

Other borrowings	(53)	(66)	(25)	(2)	(5)	(9)	(25)
	(18,940)	**(28,396)**	**(2,581)**	**(1,044)**	**(1,594)**	**(7,733)**	**(15,444)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows		26	17	9			
Outflows	(15)	(41)	(27)	(14)			
	(15)	**(15)**	**(10)**	**(5)**			
Total	**(18,955)**	**(28,411)**	**(2,591)**	**(1,049)**	**(1,594)**	**(7,733)**	**(15,444)**
As of December 31, 2010							
Non-derivative financial liabilities							
Bank overdrafts	(12)	(12)	(12)				
Trade and other payables	(1,246)	(1,246)	(1,246)				
Non-current payables	(9)	(9)			(9)		

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Carrying amount	Total	6 months or less	6 to 12 months (In $ million)	1 to 2 years	2 to 5 years	More than 5 years
Loans and borrowings:							
2009 Credit Agreement	(4,026)	(5,381)	(176)	(198)	(419)	(1,986)	(2,602)
October 2010 Senior Secured Notes	(1,470)	(2,407)	(53)	(53)	(107)	(320)	(1,874)
October 2010 Senior Notes	(1,464)	(2,649)	(68)	(68)	(135)	(405)	(1,973)
May 2010 Notes	(978)	(1,639)	(43)	(43)	(85)	(255)	(1,213)
2009 Notes	(1,648)	(2,526)	(67)	(67)	(134)	(401)	(1,857)
2007 Senior Notes	(621)	(945)	(26)	(26)	(51)	(153)	(689)
2007 Senior Subordinated Notes	(542)	(904)	(27)	(27)	(53)	(159)	(638)
Pactiv 2012 Notes	(261)	(278)	(7)	(7)	(264)		
Pactiv 2017 Notes	(316)	(457)	(12)	(12)	(24)	(73)	(336)
Pactiv 2018 Notes	(17)	(24)	(1)	(1)	(1)	(3)	(18)
Pactiv 2025 Notes	(269)	(606)	(11)	(11)	(22)	(66)	(496)
Pactiv 2027 Notes	(197)	(476)	(8)	(8)	(17)	(50)	(393)
Related party borrowings	(1)	(1)	(1)				
Other borrowings	(32)	(43)	(3)	(3)	(2)	(6)	(29)
	(13,109)	**(19,603)**	**(1,761)**	**(524)**	**(1,323)**	**(3,877)**	**(12,118)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows	11	52	35	17			
Outflows		(41)	(25)	(16)			
	11	**11**	**10**	**1**			
Total	**(13,098)**	**(19,592)**	**(1,751)**	**(523)**	**(1,323)**	**(3,877)**	**(12,118)**

29.5 Classification and fair values

	Fair value	Cash, loans and	Other	Total carrying	Fair

	through the profit or loss	Held to maturity	receivables	liabilities	amount	value
			(In $ million)			
As of December 31, 2011						
Assets						
Cash and cash equivalents			597		597	597
Current and non-current receivables			1,827		1,827	1,827
Derivative financial assets						
Commodity contracts	1				1	1
Embedded derivatives	122				122	122
Total assets	**123**		**2,424**		**2,547**	**2,547**
Liabilities						
Bank overdrafts				(3)	(3)	(3)
Trade and other payables				(1,758)	(1,758)	(1,758)
Other non-current payables				(33)	(33)	(33)
Derivative financial liabilities						
Commodity contracts	(16)				(16)	(16)

F-128

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
Loans and borrowings:						
August 2011 Credit Agreement				(4,490)	(4,490)	(4,574)
August 2011 Senior Secured Notes				(1,468)	(1,468)	(1,560)
August 2011 Senior Notes				(972)	(972)	(960)
February 2011 Senior Secured Notes				(999)	(999)	(979)
February 2011 Senior Notes				(993)	(993)	(873)
October 2010 Senior Secured Notes				(1,473)	(1,473)	(1,564)
October 2010 Senior Notes				(1,466)	(1,466)	(1,416)
May 2010 Notes				(980)	(980)	(956)
2009 Notes				(1,642)	(1,642)	(1,758)
2007 Senior Notes				(606)	(606)	(527)
2007 Senior Subordinated Notes				(530)	(530)	(433)
Pactiv 2012 Notes				(253)	(253)	(249)
Pactiv 2017 Notes				(314)	(314)	(242)
Pactiv 2018 Notes				(17)	(17)	(11)
Pactiv 2025 Notes				(269)	(269)	(187)
Pactiv 2027 Notes				(197)	(197)	(142)
Graham Packaging 2014 Notes				(367)	(367)	(362)
Graham Packaging 2017 Notes				(14)	(14)	(13)
Graham Packaging 2018 Notes				(19)	(19)	(19)
Related party borrowings				(24)	(24)	(24)
Other borrowings				(53)	(53)	(53)
Total liabilities	**(16)**			**(18,940)**	**(18,956)**	**(18,712)**

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			

As of December 31, 2010					
Assets					
Cash and cash equivalents		664		664	664
Current and non-current receivables		1,453		1,453	1,453
Derivative financial assets:					
Commodity contracts	12			12	12
Embedded derivatives	87			87	87
Total assets	**99**	**2,117**		**2,216**	**2,216**
Liabilities					
Bank overdrafts			(12)	(12)	(12)
Trade and other payables			(1,246)	(1,246)	(1,246)

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
Other non-current payables				(9)	(9)	(9)
Derivative financial liabilities:						
Commodity contracts	(1)				(1)	(1)
Loans and borrowings:						
2009 Credit Agreement				(4,026)	(4,026)	(4,150)
October 2010 Senior Secured Notes				(1,470)	(1,470)	(1,553)
October 2010 Senior Notes				(1,464)	(1,464)	(1,549)
May 2010 Notes				(978)	(978)	(1,015)
2009 Notes				(1,648)	(1,648)	(1,810)
2007 Senior Notes				(621)	(621)	(641)
2007 Senior Subordinated Notes				(542)	(542)	(575)
Pactiv 2012 Notes				(261)	(261)	(257)
Pactiv 2017 Notes				(316)	(316)	(297)
Pactiv 2018 Notes				(17)	(17)	(15)
Pactiv 2025 Notes				(269)	(269)	(236)
Pactiv 2027 Notes				(197)	(197)	(179)
Related party borrowings				(1)	(1)	(1)
Other borrowings				(32)	(32)	(32)
Total liabilities	**(1)**			**(13,109)**	**(13,110)**	**(13,578)**

The methods used in determining fair values of financial instruments are disclosed in note 5.

29.6 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group s financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Level 1	Level 2	Level 3	Total
		(In $ million)		
As of December 31, 2011				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**
As of December 31, 2010				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		11		11
Embedded derivatives		87		87
Total		**98**		**98**

There were no transfers between any levels during the periods ended December 31, 2011 and 2010.

30. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is Packaging Finance Limited, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Transactions with key management personnel

Key management personnel compensation comprised:

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Short-term employee benefits	13	11	8
Management fees		1	3

Total compensation expense to key management personnel	**13**	**12**	**11**

There have been no transactions with key management personnel during the periods ended December 31, 2011, 2010 and 2009.

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the periods are detailed below:

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Transactions with the immediate and ultimate parent companies					
Due to ultimate parent(a)				(1)	(1)
Transactions with joint ventures					
Sale of goods and services(b)	131	122	96	25	29
Purchase of goods(b)			(4)		(3)
Sale of non-current assets		7			
Transactions with other related parties					
Trade receivables					
BPC United States Inc.				4	1
Sale of services	3				
Sale of property, plant and equipment(g)		3			
Carter Holt Harvey Limited					1
Sale of goods	3	14			
Carter Holt Harvey Packaging Pty Limited					4
Sale of goods	4	20			
Carter Holt Harvey Pulp & Paper Limited					1
Sale of goods	3	2			
FRAM Group Operations LLC				1	
United Components, Inc				1	
Trade payables					
BPC United States Inc.					
Management fees		(1)	(3)		
Recharges			(3)		
Carter Holt Harvey Limited				(1)	(1)
Purchase of goods	(10)	(1)			
Purchase of Whakatane Mill(f)		(46)			
Carter Holt Harvey Pulp & Paper Limited				(5)	(3)
Purchase of goods	(38)	(25)			
Rank Group Limited(c)				(47)	(10)
Recharges	(121)	(43)	(16)		
Reynolds Packaging (NZ) Limited			(1)		(1)
Dividends paid		(39)			

Loans receivable	
BPC United States Inc.	
Repayments	12

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Rank Group Limited(d)				271	256
Interest income	16	14	12		
Reynolds Consumer Products (NZ) Limited					
Interest income		2	1		
Novation of loan		1			
Repayment of loan		61			
Reynolds Treasury (NZ) Limited					
Interest income		1			
Repayments		25			
Loans Payable					
Carter Holt Harvey Limited					
Interest expense			(17)		
Evergreen Packaging New Zealand Limited					
Interest expense			(1)		
Reynolds Consumer Products (NZ) Limited					
Interest expense			(6)		
Reynolds Treasury (NZ) Limited(e)				(23)	
Loan advanced	(25)				
Interest expense	(1)		(2)		
Receivable related to transfer of tax losses to:					
Carter Holt Harvey Limited		5		5	5
CFC Tax Liability					
BPC Finance (N.Z.) Limited			(11)	(3)	(4)
Repayments		(11)			
Nerva Investments Limited			(9)		
Repayments		(11)			
Rank Group Investments Limited			(1)	(2)	(2)

(a) The advance due to Packaging Holdings Limited is non-interest bearing, unsecured and repayable on demand.

(b) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(c)

Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) The loan receivable from Rank Group Limited accrues interest at a rate based on the average 90 day New Zealand bank bill rate, set quarterly, plus a margin of 3.25%. Interest is only charged or accrued if demanded by the lender. During the period ended December 31, 2011, interest was charged at 5.90% to

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

6.25% (2010: 5.98% to 6.47%). The advance is unsecured and repayable on demand. This loan is subordinated on terms such that no payments can be made until the obligations under a senior secured credit facility of Rank Group Limited are repaid in full.

(e) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. The loan bears interest at the greater of 2% and the 3 month EURIBOR rate plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties.

(f) On May 4, 2010, the Group acquired the Whakatane Mill for a purchase price of $48 million, being the fair value of the net assets at the date purchased, from Carter Holt Harvey Limited (CHHL). The consideration paid to the seller of the assets was subject to certain post-closing adjustments relating to the closing net working capital, reimbursable wages and other stub period adjustments. The post-closing adjustments resulted in CHHL owing the Group an amount of $2 million which was paid during the period ended December 31, 2010.

(g) On April 29, 2010, Blue Ridge Paper Products Inc. sold land and buildings in Richmond to BPC United States Inc. The consideration paid was the net book value of the assets at the date of sale, being $3 million settled at the date of sale.

31. Group entities

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	Ownership interest (%) 2010	Voting Interest (%) 2011
Alusud Argentina S.R.L	Dec-31	Argentina	100	100	100
Graham Packaging Argentina S.A.(a)	Dec-31	Argentina	100		100
Graham Packaging San Martin S.A.(a)	Dec-31	Argentina	100		100
Lido Plast San Luis S.A.(a)	Dec-31	Argentina	100		100
SIG Combibloc Argentina S.R.L	Dec-31	Argentina	100	100	100
Whakatane Mill Australia Pty Limited	Dec-31	Australia	100	100	100
SIG Austria Holding GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH & Co. KG	Dec-31	Austria	100	100	100
Gulf Closures W.L.L.(b)	Dec-31	Bahrain	49	49	49
Graham Packaging Belgium N.V.(a)	Dec-31	Belgium	100		100
Graham Packaging Lummen N.V.(a)	Dec-31	Belgium	100		100
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Dec-31	Brazil	100	100	100
Graham Packaging do Brasil Indústria e Comércio Ltda.(a)	Dec-31	Brazil	100		100

Graham Packaging Paraná Ltda.(a)	Dec-31	Brazil	100		100
Resin Rio Comercio Ltda.(a)	Dec-31	Brazil	100		100
SIG Beverages Brasil Ltda.	Dec-31	Brazil	100	100	100
SIG Combibloc do Brasil Ltda.	Dec-31	Brazil	100	100	100
CSI Latin American Holdings Corporation	Dec-31	British Virgin Islands	100	100	100
Reynolds Consumer Products Bulgaria EOOD	Dec-31	Bulgaria	100	100	100
798795 Ontario Limited(c)	Dec-31	Canada		100	
Closure Systems International (Canada) Limited(c)	Dec-31	Canada		100	
Conference Cup Ltd.(d)	Dec-31	Canada	100		100
Dopaco Canada, Inc.(d)	Dec-31	Canada	100		100
Evergreen Packaging Canada Limited	Dec-31	Canada	100	100	100
Garven Incorporated(d)	Dec-31	Canada	100		100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Graham Packaging Canada Limited(a)	Dec-31	Canada	100		100
Newspring Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(e)	Dec-31	Canada	100		100
Reynolds Food Packaging Canada Inc.(c)	Dec-31	Canada		100	
Crystal Insurance Comp. Ltd.	Dec-31	Channel Islands	100	100	100
SIG Asset Holdings Limited	Dec-31	Channel Islands	100	100	100
Alusud Embalajes Chile Ltda.	Dec-31	Chile	100	100	100
SIG Combibloc Chile Limitada	Dec-31	Chile	100	100	100
Closure Systems International (Guangzhou) Limited	Dec-31	China	100	100	100
Closure Systems International (Wuhan) Limited	Dec-31	China	100	100	100
CSI Closures Systems (Hangzhou) Co., Ltd.	Dec-31	China	100	100	100
CSI Closures Systems (Tianjin) Co., Ltd.	Dec-31	China	100	100	100
Dongguan Pactiv Packaging Co., Ltd	Dec-31	China	51	51	51
Evergreen Packaging (Shanghai) Co., Limited	Dec-31	China	100	100	100
Graham Packaging (Guangzhou) Co. Ltd.(a)	Dec-31	China	100		100
Graham Packaging Trading (Shanghai) Co. Ltd.(a)	Dec-31	China	100		100
Reynolds Metals (Shanghai) Ltd.	Dec-31	China	100	100	100
SIG Combibloc (Suzhou) Co. Ltd.	Dec-31	China	100	100	100
SIG Combibloc Packaging Technology Services (Shanghai) Co. Ltd. (In liquidation)	Dec-31	China	100	100	100
Zhejing Zhongbao Packaging Co., Ltd	Dec-31	China	62.5	62.5	62.5
Alusud Embalajes Colombia Ltda.	Dec-31	Colombia	100	100	100
CSI Closure Systems Manufacturing do Centro America, Sociedad de Responsabilidad Limitada	Dec-31	Costa Rica	100	100	100
SIG Combibloc s.r.o	Dec-31	Czech Republic	100	100	100
Closure Systems International (Egypt) LLC	Dec-31	Egypt	100	100	100
Evergreen Packaging de El Salvador S.A. de C.V.	Dec-31	El Salvador	100	100	100
Graham Packaging Company OY(a)	Dec-31	Finland	100		100
Graham Packaging Europe SNC(a)	Dec-31	France	100		100
Graham Packaging France S.A.S.(a)	Dec-31	France	100		100
Graham Packaging Normandy S.a.r.l.(a)	Dec-31	France	100		100
Graham Packaging Villecomtal S.a.r.l.(a)	Dec-31	France	100		100

SIG Combibloc S.a.r.l	Dec-31	France	100	100	100
Closure Systems International Deutschland GmbH	Dec-31	Germany	100	100	100
Closure Systems International Holdings (Germany) GmbH	Dec-31	Germany	100	100	100
Omni-Pac Ekco Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Omni-Pac Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Pactiv Deutschland Holdinggesellschaft mbH	Dec-31	Germany	100	100	100
Pactiv Forest Products GmbH	Dec-31	Germany	100	100	100
Pactiv Hamburg Holdings GmbH(f)	Dec-31	Germany		100	
SIG Beverages Germany GmbH	Dec-31	Germany	100	100	100
SIG Combibloc GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Holding GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Systems GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Zerspanungstechnik GmbH	Dec-31	Germany	100	100	100

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
SIG Euro Holding AG & Co. KGaA	Dec-31	Germany	100	100	100
SIG Information Technology GmbH	Dec-31	Germany	100	100	100
SIG International Services GmbH	Dec-31	Germany	100	100	100
SIG Beteiligungs GmbH (formerly SIG Vietnam Beteiligungs GmbH)(g)	Dec-31	Germany	100	100	100
Closure Systems International (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Evergreen Packaging (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Graham Packaging Asia Limited(a)	Dec-31	Hong Kong	100		100
Roots Investment Holding Private Limited(a)	Dec-31	Hong Kong	100		100
SIG Combibloc Limited	Dec-31	Hong Kong	100	100	100
Closure Systems International Holdings (Hungary) Kft.(h)	Dec-31	Hungary		100	
CSI Hungary Manufacturing and Trading Limited Liability Company	Dec-31	Hungary	100	100	100
SIG Combibloc Kft.	Dec-31	Hungary	100	100	100
Closure Systems International(I) Private Limited	Mar-31	India	100	100	100
SIG Beverage Machinery and Systems (India) Pvt. Ltd. (in liquidation)	Dec-31	India	100	100	100
PT. Graham Packaging Indonesia(a)	Dec-31	Indonesia	100		100
Ha Lakoach He Neeman H Sheeshim Ou Shenayim Ltd.	Dec-31	Israel	100	100	100
Graham Packaging Company Italia S.r.l.(a)	Dec-31	Italy	100		100
SIG Combibloc S.r.l	Dec-31	Italy	100	100	100
S.I.P. S.r.l. Societa Imballaggi Plastici S.r.l. (in liquidation)(a)	Dec-31	Italy	100		100
Closure Systems International Holdings (Japan) KK	Dec-31	Japan	100	100	100
Closure Systems International Japan, Limited	Dec-31	Japan	100	100	100
Graham Packaging Japan Godo Kaisha(a)	Dec-31	Japan	100		100
Closure Systems International Holdings (Korea), Ltd.	Dec-31	Korea	100	100	100
Evergreen Packaging Korea Limited	Dec-31	Korea	100	100	100
SIG Combibloc Korea Ltd.	Dec-31	Korea	100	100	100
Beverage Packaging Factoring (Luxembourg) S.à r.l.(i)	Dec-31	Luxembourg	100		100
	Dec-31	Luxembourg	100	100	100

Beverage Packaging Holdings (Luxembourg) I S.A.					
Beverage Packaging Holdings (Luxembourg) II S.A.	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) III S.à r.l	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) IV S.à r.l.(i)	Dec-31	Luxembourg	100		100
Evergreen Packaging (Luxembourg) S.à r.l	Dec-31	Luxembourg	100	100	100
Graham Packaging European Holdings (Luxembourg) S.à r.l.(j)	Dec-31	Luxembourg	100		100
Graham Packaging European Holdings (Luxembourg) I S.à r.l.(j)	Dec-31	Luxembourg	100		100
Reynolds Group Issuer (Luxembourg) S.A.	Dec-31	Luxembourg	100	100	100
SIG Finance (Luxembourg) S.à r.l. (in liquidation)(k)	Dec-31	Luxembourg		100	
Asesores y Consultores Graham, S. de R.L. de C.V.(a)	Dec-31	Mexico	100		100
Bienes Industriales del Norte, S.A. de C.V.	Dec-31	Mexico	100	100	100
CSI En Ensenada, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI En Saltillo, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI Tecniservicio, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100

F-136

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Evergreen Packaging Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Graham Packaging Plastic Products de Mexico S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Grupo Corporativo Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Grupo CSI de México, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Maxpack, S. de R.L. de C.V.(m)	Dec-31	Mexico		100	
Middle America M.A., S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Pactiv Foodservice Mexico S. de R.L. de C.V. (formerly Central de Bolsas S. de R.L. de C.V.)(l)	Dec-31	Mexico	100	100	100
Pactiv Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Pactiv North American Holdings, S. de R.L. de C.V. (formerly Pactiv North American Holdings LLC)(u)	Dec-31	Mexico		100	
Reynolds Metals Company de Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Servicio Terrestre Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Graham Packaging, S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Servicios Industriales Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Integrales de Operacion, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Combibloc México, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Simonazzi México, S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Tecnicos de Tapas Innovativas, S.A. de C.V.	Dec-31	Mexico	100	100	100
Closures Systems International Nepal Private Limited	Jul-31	Nepal	76	76	76
Beverage Packaging Holdings (Netherlands) B.V	Dec-31	Netherlands	100	100	100
Closure Systems International B.V	Dec-31	Netherlands	100	100	100
Evergreen Packaging International B.V	Dec-31	Netherlands	100	100	100
Graham Packaging Company B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Holdings B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Zoetermeer B.V.(a)	Dec-31	Netherlands	100		100
Pactiv Europe B.V	Dec-31	Netherlands	100	100	100
Reynolds Consumer Products International B.V	Dec-31	Netherlands	100	100	100
Reynolds Packaging International B.V	Dec-31	Netherlands	100	100	100

SIG Combibloc B.V	Dec-31	Netherlands	100	100	100
Whakatane Mill Limited	Dec-31	New Zealand	100	100	100
Envases Panama, S.A.(n)	Dec-31	Panama		100	
Alusud Peru S.A.	Dec-31	Peru	100	100	100
Closure Systems International (Philippines), Inc.	Dec-31	Philippines	100	100	100
Graham Packaging Poland SP. Z.O.O.(a)	Dec-31	Poland	100		100
Omni Pac Poland SP. Z.O.O	Dec-31	Poland	100	100	100
SIG Combibloc SP. Z.O.O	Dec-31	Poland	100	100	100
CSI Vostok Limited Liability Company	Dec-31	Russia	100	100	100
OOO SIG Combibloc	Dec-31	Russia	100	100	100
Pactiv Asia Pte Ltd	Dec-31	Singapore	100	100	100
Closure Systems International España, S.L.U	Dec-31	Spain	100	100	100
Closure Systems International Holdings (Spain), S.A.	Dec-31	Spain	100	100	100
Graham Packaging Iberica S.L.(a)	Dec-31	Spain	100		100
Reynolds Food Packaging Spain, S.L.U	Dec-31	Spain	100	100	100
SIG Combibloc S.A.	Dec-31	Spain	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
SIG Combibloc AB	Dec-31	Sweden	100	100	100
SIG allCap AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Procurement AG	Dec-31	Switzerland	100	100	100
SIG Combibloc (Schweiz) AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Group AG	Dec-31	Switzerland	100	100	100
SIG Reinag AG	Dec-31	Switzerland	100	100	100
SIG Schweizerische Industrie-Gesellschaft AG	Dec-31	Switzerland	100	100	100
SIG Technology AG	Dec-31	Switzerland	100	100	100
Evergreen Packaging (Taiwan) Co. Limited	Dec-31	Taiwan	100	100	100
SIG Combibloc Taiwan Ltd.	Dec-31	Taiwan	100	100	100
SIG Combibloc Ltd.	Dec-31	Thailand	100	100	100
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Graham Plastpak Plastik Ambalaj Sanayi A.S.(a)	Dec-31	Turkey	100		100
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Alpha Products (Bristol) Limited	Dec-31	United Kingdom	100	100	100
Closure Systems International (UK) Limited	Dec-31	United Kingdom	100	100	100
Graham Packaging European Services Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging Plastics Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging U.K. Limited(a)	Dec-31	United Kingdom	100		100
IVEX Holdings, Ltd.	Dec-31	United Kingdom	100	100	100
J. & W. Baldwin (Holdings) Limited	Dec-31	United Kingdom	100	100	100
Kama Europe Limited	Dec-31	United Kingdom	100	100	100
Omni-Pac U.K. Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Caerphilly) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Films) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Stanley) Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Pactiv Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Reynolds Consumer Products (UK) Limited	Dec-31	United Kingdom	100	100	100
Reynolds Subco (UK) Limited	Dec-31	United Kingdom	100	100	100
SIG Combibloc Limited	Dec-31	United Kingdom	100	100	100
SIG Holdings (UK) Ltd.	Dec-31	United Kingdom	100	100	100
The Baldwin Group Ltd.	Dec-31	United Kingdom	100	100	100
Baker s Choice Products, Inc.	Dec-31	U.S.A.	100	100	100
BCP/Graham Holdings L.L.C.(a)	Dec-31	U.S.A.	100		100

Blue Ridge Holding Corp.	Dec-31	U.S.A.	100	100	100
Blue Ridge Paper Products Inc.	Dec-31	U.S.A.	100	100	100
BRPP, LLC	Dec-31	U.S.A.	100	100	100
Bucephalas Acquisition Corp.(o)	Dec-31	U.S.A.			
Closure Systems International Americas, Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Packaging Machinery Inc. (formerly Reynolds Packaging Machinery Inc.)(z)	Dec-31	U.S.A.	100	100	100
Closure Systems Mexico Holdings LLC	Dec-31	U.S.A.	100	100	100

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Coast-Packaging Company (California General Partnership)(b)	Dec-31	U.S.A.	50	50	50
CSI Mexico LLC	Dec-31	U.S.A.	100	100	100
CSI Sales & Technical Services Inc.	Dec-31	U.S.A.	100	100	100
Dopaco, Inc.(p)	Dec-31	U.S.A.	100		100
Evergreen Packaging Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging International (US) Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging USA Inc.	Dec-31	U.S.A.	100	100	100
GPACSUB LLC(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. I(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. II(a)	Dec-31	U.S.A.	100		100
GPC Holdings LLC(a)	Dec-31	U.S.A.	100		100
GPC Merger LLC(a)(q)	Dec-31	U.S.A.			
GPC Opco GP LLC(a)	Dec-31	U.S.A.	100		100
GPC Sub GP LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Acquisition Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging Comerc USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company Europe LLC(r)	Dec-31	U.S.A.	100		100
Graham Packaging Company Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Controllers USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging France Partners(a)	Dec-31	U.S.A.	100		100
Graham Packaging GP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Holdings Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging International Plastics Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Latin America LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LC, L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Leasing USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Minster LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging PET Technologies Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Plastic Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Poland L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Holding Corporation(a)	Dec-31	U.S.A.	100		100

Graham Packaging PX, LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Regioplast STS Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Technological Specialties LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging West Jordan, LLC(a)	Dec-31	U.S.A.	100		100
Graham Recycling Company L.P.(a)	Dec-31	U.S.A.	100		100
Newspring Industrial Corp.	Dec-31	U.S.A.	100	100	100
Pactiv Germany Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv LLC (formerly Pactiv Corporation)(s)	Dec-31	U.S.A.	100	100	100
Pactiv Factoring LLC	Dec-31	U.S.A.	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Pactiv Management Company LLC	Dec-31	U.S.A.	100	100	100
Pactiv NA II LLC(t)	Dec-31	U.S.A.	100	100	100
Pactiv Retirement Administration LLC	Dec-31	U.S.A.	100	100	100
Pactiv RSA LLC	Dec-31	U.S.A.	100	100	100
PCA West Inc.	Dec-31	U.S.A.	100	100	100
Prairie Packaging, Inc.	Dec-31	U.S.A.	100	100	100
PWP Holdings, Inc.	Dec-31	U.S.A.	100	100	100
PWP Industries, Inc.	Dec-31	U.S.A.	100	100	100
RenPac Holdings Inc.(v)	Dec-31	U.S.A.	100		100
Reynolds Consumer Products Holdings LLC (formerly Reynolds Consumer Products Holdings Inc.)(w)	Dec-31	U.S.A.	100	100	100
Reynolds Consumer Products, Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Flexible Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Foil Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Food Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Group Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer LLC	Dec-31	U.S.A.	100	100	100
Reynolds Manufacturing, Inc.(x)	Dec-31	U.S.A.	100		100
Reynolds Packaging Holdings LLC (formerly Reynolds Packaging Inc.)(y)	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Kama Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Services Inc.	Dec-31	U.S.A.	100	100	100
RGHL US Escrow II Inc.(aa)	Dec-31	U.S.A.			
RGHL US Escrow II LLC(cc)	Dec-31	U.S.A.			
RGHL US Escrow Holdings II Inc.(bb)	Dec-31	U.S.A.			
SIG Combibloc Inc.	Dec-31	U.S.A.	100	100	100
SIG Holding USA LLC (formerly SIG Holding USA, Inc.)(dd)	Dec-31	U.S.A.	100	100	100
Southern Plastics, Inc.	Dec-31	U.S.A.	100	100	100
The Corinth and Counce Railroad Company(ee)	Dec-31	U.S.A.		100	
Ultra Pac, Inc.	Dec-31	U.S.A.	100	100	100
Union Packaging LLC(p)(ff)	Dec-31	U.S.A.			
Alusud Venezuela S.A.	Dec-31	Venezuela	100	100	100

Graham Packaging Plasticos de Venezuela C.A.(a)	Dec-31	Venezuela	100		100
SIG Vietnam Ltd.	Dec-31	Vietnam	100	100	100

(a) Acquired as part of the Graham Packaging Acquisition on September 8, 2011.

(b) The Group has control as it has the power to govern the financial and operating policies of the entity.

(c) Amalgamated into a new Pactiv Canada Inc. on July 1, 2011.

(d) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Reynolds Food Packaging Canada Inc.

(e) Incorporated on July 1, 2011.

(f) Merged with SIG Beteiligungs GmbH on September 15, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

(g) Changed name to SIG Beteiligungs GmbH on September 15, 2011.

(h) Merged into CSI Hungary Manufacturing and Trading Limited Liability Company on December 31, 2011.

(i) Incorporated on December 21, 2011.

(j) Incorporated on December 20, 2011.

(k) Liquidation was concluded on January 18, 2011 and the company subsequently deregistered.

(l) Changed name to Pactiv Foodservice Mexico, S. de R.L. de C.V. on September 27, 2011.

(m) Merged into Pactiv Foodservice Mexico, S. de R.L. de C.V. on December 31, 2011.

(n) Dissolved on February 11, 2011.

(o) Incorporated on June 13, 2011, and subsequently merged into Graham Packaging Company Inc. on September 8, 2011.

(p) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Pactiv Corporation, now Pactiv LLC.

(q) Merged into Graham Packaging Holdings Company on September 12, 2011.

(r) Incorporated on December 13, 2011.

(s) Converted to a Delaware limited liability company on December 31, 2011 becoming Pactiv LLC.

(t) Incorporated on February 8, 2011.

(u) Redomiciled from U.S.A. to Mexico and transformed to a Mexican company as a S. de R.L. de C.V. , following which Pactiv North American Holdings, S. de R.L. de C.V. and Central de Bolsas, S. de R.L. de C.V. merged, with the latter being the surviving entity. The merger was effective March 29, 2011.

(v) Incorporated on September 29, 2011.

(w) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Consumer Products Holdings LLC.

(x) Incorporated on September 14, 2011.

(y) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Packaging Holdings LLC.

(z) Changed name to Closure Systems International Packaging Machinery Inc. on March 2, 2011.

(aa) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer Inc. on September 8, 2011.

(bb) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Holdings Inc. on September 8, 2011.

(cc) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer LLC on September 8, 2011.

(dd) Converted to a Delaware limited liability company on December 31, 2011 becoming SIG Holding USA, LLC.

(ee) Dissolved on December 6, 2011.

(ff) Sold on May 18, 2011.

32. Business combinations under common control

On May 4, 2010, the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited. At the time of this transaction, both the Group and Evergreen were ultimately 100% owned by

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

32. Business combinations under common control (continued)

Mr. Graeme Hart. The original acquisitions of the Evergreen businesses were completed between January 31, 2007 and August 1, 2007.

On September 1, 2010, the Group acquired the operations of the Reynolds foodservice packaging businesses from subsidiaries of Reynolds (NZ) Limited (Reynolds (NZ)). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Reynolds foodservice packaging businesses was completed on February 29, 2008.

The following table shows the effect of the legal consummation of the acquisitions of Evergreen and the Reynolds foodservice packaging business as of their respective dates of acquisition by the Group:

	Evergreen	Reynolds foodservice packaging (In $ million)	Total
Total consideration*	1,612	342	1,954
Net book value of share capital of the acquired businesses	(713)	(193)	(906)
Difference between total consideration and net book value of share capital of acquired businesses**	**899**	**149**	**1,048**

On November 5, 2009, the Group acquired the business operations of the Closures segment and the Reynolds consumer products business from subsidiaries of Reynolds (NZ). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Closures segment and the Reynolds consumer products business by subsidiaries of Reynolds (NZ) was substantially completed on February 29, 2008. As of November 5, 2009, the effect of the legal consummation of the acquisition was as follows:

	Closures	Reynolds consumer products (In $ million)	Total
Total consideration*	708	984	1,692
Net book value of share capital of the acquired businesses	(467)	(641)	(1,108)
Difference between total consideration and net book value of share capital of the acquired businesses**	**241**	**343**	**584**

* The Group has accounted for the acquisitions under the principles of common control. As a result, the cash acquired as part of the acquisitions is already included in the Group s cash balance and does not form part of the net cash outflow. Further, the results of operations of the businesses acquired are included in the statements of comprehensive income from January 31, 2007 for Evergreen, and from February 29, 2008 for the Closures, Reynolds consumer products, and Reynolds foodservice packaging businesses.

** In accordance with the Group s accounting policy for acquisitions under common control, the difference between the share capital of the acquired businesses and the consideration paid (which represented the fair value) has been recognized directly in equity as part of other reserves. Differences in the consideration paid at the date of the legal acquisition by the Group of these businesses and those amounts paid when originally acquired by entities under the common control of the ultimate shareholder reflect changes in the relative fair value. The changes in fair value of the net assets acquired plus debt issued from the original purchase price relate to indebtedness assumed as well as changes in the underlying value of the equity of the business. The change in the underlying value of the business relates to the realization of the cost savings initiatives and operational synergies combined with improvements in industry and general market conditions.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations

Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the provisional values allocated to assets, liabilities and contingent liabilities as of the date of acquisition:

	Provisional values recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of December 31, 2011(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates and joint ventures	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)

Net liabilities acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. The depreciation and amortization impact of these provisional changes to fair values was recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as December 31, 2011. Management is in the process of reviewing and finalizing balances. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuation firms, is in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management continues to review underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these provisional purchase accounting allocations will have implications on the measurement of deferred tax assets and liabilities. Management expects to finalize the purchase price allocations by September 8, 2012.

(d) In connection with the acquisition of the Graham Packaging Group, amounts under an existing income tax receivable agreement with certain pre-IPO shareholders became due and payable. Such amounts which were settled after the date of acquisition are reflected in the statement of cash flows as a financing activity.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary fair value assessment.

Acquisition costs of $24 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of Identifiable Intangible Assets	Fair value (In $ million)	Estimated Useful Life
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful lives are between 10 and 15 years.

Prior to the acquisition, Graham Packaging reported its results under US GAAP. Accordingly, it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Graham Packaging contributed revenues of $967 million, a loss after income tax of $64 million, EBITDA of $105 million and Adjusted EBITDA of $156 million to the Group for the period from September 8, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed on a pro forma basis additional revenue of $2,130 million, a loss after income tax of $277 million, EBITDA of $43 million and Adjusted EBITDA of $388 million. These amounts are unaudited.

Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million, including a $3 million working capital adjustment which was settled in October 2011 (the Dopaco Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration was provided through existing cash.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

Dopaco is a manufacturer of paper cups and folding cartons for the quick-service restaurant and foodservice industries in the United States and Canada. The new product lines complement and enhance the Group s existing product lines, allowing it to offer a broader product range and additional customer relationships. Dopaco is included in the Group s Pactiv Foodservice segment.

The Group finalized the allocation of the purchase price and has reflected this as of the date of acquisition. In undertaking the Group s evaluation of the purchase price as of date of acquisition, management has taken into consideration a number of market participant factors such as historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation technique. The following table presents the preliminary values previously reported as of May 2, 2011, and any adjustments made to those values:

	Provisional values recognized on May 2, 2011(a)	**Measurement period adjustments(b)**	**Final purchase price allocation**
		(In $ million)	
Cash and cash equivalents	3		3
Trade and other receivables	33		33
Assets held for sale	3		3
Deferred tax assets	4		4
Inventories	58	1	59
Property, plant and equipment	152	(28)	124
Intangible assets (excluding goodwill)	16	72	88
Other current and non-current assets	5	1	6
Bank overdrafts	(5)		(5)
Trade and other payables	(20)	(4)	(24)
Deferred tax liabilities	(32)	(8)	(40)
Provisions and employee benefits	(24)	(2)	(26)
Net assets acquired	**193**	**32**	**225**
Goodwill on acquisition	205	(35)	170
Net assets acquired	**398**	**(3)**	**395**
Consideration paid in cash	398	(3)	395
Bank overdraft acquired	2		2

Net cash outflow	**400**	**(3)**	**397**

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to finalizing the values of property, plant and equipment and identifiable intangible assets and the associated deferred taxes thereon. Other measurement period adjustments have arisen from the finalization of reviews of the balance sheet reconciliations as of the date of acquisition. The depreciation and amortization impact from these provisional changes to fair values had been recognized during the period ended December 31, 2011.

Acquisition-related costs of $6 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

The preliminary values attributed to the separately identifiable intangible assets were established shortly after the date of acquisition in May 2011 through the assistance of an external third party valuer. Subsequent to this assessment the Group has verified the reasonableness of all key assumptions including royalty rate, growth rates, business mix and discount rate. This review process involved feedback and further input from a wide range of senior executives which has enabled the Group to further refine the initial assumptions as of the date of acquisition. As a result management has revised and finalized the values initially established for the separately identifiable intangible assets as of the date of acquisition. The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated Useful Life
Customer relationships	77	9 to 14 years
Trade names	6	5 years
Patents	4	10 years
Emission reduction credit	1	Indefinite
	88	

Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers.

Trade name

The Dopaco trade name is a business to business trade name under which the products are sold. The preliminary value of the trade name is being amortized over 5 years as it is a defensible intangible asset.

The goodwill recognized on the acquisition is attributable mainly to the skill of the acquired business work force and the synergies expected to be achieved from integrating Dopaco into the Group. None of the goodwill recognized is expected to be deductible for income tax purposes.

Dopaco contributed revenues of $331 million, profit after income tax of $7 million, EBITDA of $28 million and Adjusted EBITDA of $45 million to the Group for the period from May 2, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed on a pro forma basis additional revenue of $153 million, profit after tax of $5 million, EBITDA of $14 million and Adjusted EBITDA of $17 million. These amounts are unaudited.

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv Corporation (Pactiv) for a purchase price of $4,452 million (the Pactiv Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration and the refinancing of certain borrowings that were acquired was provided through a combination of additional borrowings, additional equity and existing cash.

Pactiv is a leading manufacturer of consumer and foodservice packaging products in the United States. The acquisition of Pactiv brought together two consumer and foodservice packaging platforms. The combination increased the Group s product, geographic and customer diversification and created an extensive and diverse distribution network. The products of the Group and Pactiv are complementary, providing the combined Group with opportunities to generate incremental revenue through cross-selling and category

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

expansion. The Group expects to realize cost savings and operational synergies by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies.

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents, net of bank overdrafts	91
Trade and other receivables	472
Current tax assets	49
Deferred tax assets	27
Inventories	547
Property, plant and equipment	1,429
Intangible assets (excluding goodwill)	2,715
Other current and non-current assets	60
Trade and other payables	(418)
Borrowings	(1,485)
Deferred tax liabilities	(877)
Provisions and employee benefits	(1,071)
Net assets acquired	**1,539**
Non-controlling interests	(18)
Goodwill on acquisition	2,931
Net assets acquired	**4,452**
Consideration paid in cash	4,452
Net cash acquired	(91)
Net cash flow	**4,361**

Acquisition-related costs of $10 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2010.

The Group identified and measured the property, plant and equipment and separately identifiable intangible assets (excluding goodwill) of $1,429 million and $2,715 million, respectively, with the assistance of a third party valuer.

The fair value of trade receivables is $472 million. The gross contractual amount of trade receivables due at acquisition was $517 million, of which $45 million was expected to be uncollectible.

The goodwill of $2,931 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Pactiv into the Group. The synergies largely relate to benefits from (a) large scale efficiencies in integration of sales, marketing and administration functions, information technology resources, and leveraging lean production capabilities across facilities, (b) eight to nine plant closures, (c) one face customer servicing organization, (d) streamlining warehouse and logistics, and (e) centralizing procurement. Except for $514 million, the goodwill recognized is not deductible for income tax purposes.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated Useful Life
Trade names - indefinite life	1,075	Indefinite
Trade names - definite life	39	5 years
Customer relationships	1,321	20 years
Technology	188	7.5 years
Permits	88	Indefinite
Favorable leasehold	4	3 to 8 years
	2,715	

Trade names

The Pactiv Foodservice trade name has been valued as a business to business trade name with an indefinite life. The Hefty trade name has been valued as a consumer trade name with an indefinite life. The Pactiv trade name used in the consumer products business has been valued as a business to business trade name with a five year useful life.

Customer and distributor relationships

Pactiv s operations are characterized by arrangements with customers and distributors for the supply of finished packaging products. The separately identifiable intangible assets reflect the estimated value that is attributable to the existing arrangements and the value that is expected from the on-going relationship.

Technology

Pactiv s operations include certain proprietary knowledge and processes that have been developed internally. The business operates in product categories where customers and end-users value the technology and innovation that Pactiv s custom packaging products offer as an alternative to traditional packaging materials.

Permits

Manufacturers that emit pollutants or use hazardous materials are required to meet various federal and state regulatory requirements and obtain the necessary operating permits. Pactiv has obtained numerous operating permits for its plants over the years. As regulatory requirements have evolved, several of its existing permits have been grandfathered and would be very costly, or even impossible, to obtain today.

The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of the Group s Reynolds Consumer Products and Pactiv Foodservice segments, respectively, since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within each related segment, other than revenue, we are unable to quantify the results of the acquired businesses on a stand-alone basis for the year ended December 31, 2011. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. For the period ended December 31, 2010, Pactiv s revenue, profit from operating activities, EBITDA and Adjusted EBITDA were $3,679 million, $254 million, $465 million and $656 million, respectively. These amounts provided on a pro forma basis are unaudited and include IFRS adjustments and therefore will not agree to historically reported Pactiv results as Pactiv reported its results under U.S. GAAP.

F-149

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

Closure Systems International Americas, Inc.

On February 1, 2010, the Group purchased 100% of the issued capital of Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. Total consideration for the acquisition was $36 million and was paid in cash. The acquired company was subsequently renamed Closure Systems International Americas, Inc. (CSI Americas).

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents	11
Trade and other receivables	3
Inventories	10
Deferred tax assets	11
Property, plant and equipment	14
Intangible assets (excluding goodwill)	4
Trade and other payables	(7)
Net assets acquired	**46**
Difference between net assets acquired and consideration paid	(10)
Consideration paid, settled in cash	36
Cash acquired	(11)
Net cash outflow	**25**

The acquisition of CSI Americas contributed revenue of $52 million and a net profit of $3 million to the Group for the period ended December 31, 2010. If the purchase had occurred on January 1, 2010, management estimates that CSI Americas would have contributed additional revenue of $4 million, additional EBITDA of $3 million and additional profit after tax of $1 million.

34. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	As of December 31,	
	2011	2010
	(In $ million)	
Less than one year	111	69
Between 1 and 5 years	247	146
More than 5 years	83	79
Total	**441**	**294**

During the period ended December 31, 2011, $107 million was recognized as an expense in the statement of comprehensive income as a component of the profit or loss in respect of operating leases (2010: $51 million; 2009: $50 million).

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

34. Operating leases (continued)

Leases as lessor

The SIG Combibloc segment leases to customers filling machines under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	As of December 31, 2011 (In $ million)	As of December 31, 2010 (In $ million)
Less than one year	12	13
Between 1 and 5 years	27	31
More than 5 years	2	3
Total	**41**	**47**

During the period ended December 31, 2011 $15 million was recognized as revenue in the statement of comprehensive income (2010: $21 million; 2009: $17 million).

35. Capital commitments

As of December 31, 2011, the Group had entered into contracts to incur capital expenditure of $106 million (2010: $95 million) for the acquisition of property, plant and equipment. These commitments are expected to be settled in the following financial year.

36. Contingencies

	As of December 31, 2011 (In $ million)	As of December 31, 2010 (In $ million)
Contingent liabilities	19	31

The contingent liabilities primarily arise from the guarantees given to banks granting credit facilities to the Group s joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 27, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness as described in note 25.

37. Condensed consolidating guarantor financial information

Certain of the Group s subsidiaries have guaranteed the Group s obligations under the Notes (as defined in note 25).

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

The following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as of December 31, 2011 and 2010 and the related statements of financial performance and cash flows for the each of the periods ended December 31, 2011, 2010, and 2009 of:

a. Reynolds Group Holdings Limited, the Parent;

b. Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer Inc. and Reynolds Group Issuer LLC, the issuers of the Notes (together the Issuers);

c. the other guarantor subsidiaries;

d. the non-guarantor subsidiaries; and

e. the Group on a consolidated basis.

(2) Adjustments and elimination entries necessary to consolidate Reynolds Group Holdings Limited, the Parent, with the Issuers, the other guarantor subsidiaries and the non-guarantor subsidiaries.

The condensed consolidating statement of financial performance and consolidating statement of cash flows for periods ended December 31, 2011, 2010 and 2009 and the condensed consolidating statement of financial position at December 31, 2011, 2010 and 2009 reflect the current guarantor structure of the Group.

Each guarantor subsidiary is 100% owned by the Parent. The notes are guaranteed to the extent permitted by law and are subject to certain customary guarantee release provisions set forth in the indentures governing the notes on a joint and several basis by each guarantor subsidiary. Provided below are condensed statements of financial performance, financial position and cash flows of each of the companies listed above, together with the condensed consolidating statements of financial performance, financial position and cash flows of guarantor and non-guarantor subsidiaries. These have been prepared under the Group s accounting policies disclosed in note 3 which comply with IFRS with the exception of investments in subsidiaries. Investments in subsidiaries are accounted for using the equity method. The guarantor subsidiaries and non-guarantor subsidiaries are each presented on a combined basis. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			10,921	1,178	(310)	11,789
Cost of sales			(9,034)	(1,001)	310	(9,725)
Gross profit			**1,887**	**177**		**2,064**
Other income, other expenses and share of equity method earnings, net of income tax	(427)		(123)	(18)	404	(164)
Selling, marketing and distribution expenses			(306)	(41)		(347)
General and administration expenses	(2)		(584)	(42)		(628)
Profit (loss) from operating activities (EBIT)	**(429)**		**874**	**76**	**404**	**925**
Financial income	16	695	9	113	(811)	22
Financial expenses		(728)	(1,373)	(130)	811	(1,420)
Net financial income (expense)	**16**	**(33)**	**(1,364)**	**(17)**		**(1,398)**
Profit (loss) before income tax	**(413)**	**(33)**	**(490)**	**59**	**404**	**(473)**
Income tax benefit (expense)	(4)	13	71	(24)		56
Profit (loss) for the period	**(417)**	**(20)**	**(419)**	**35**	**404**	**(417)**

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial position
As of December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Assets						
Cash and cash equivalents			461	136		597
Trade and other receivables	5		1,258	243		1,506
Inventories			1,572	201		1,773
Inter-group receivables		234		33	(267)	
Other assets			146	32		178
Total current assets	**5**	**234**	**3,437**	**645**	**(267)**	**4,054**
Investments in subsidiaries, associates and joint ventures			1,282	118	(1,281)	119
Property, plant and equipment			3,887	648		4,535
Investment properties			29			29
Intangible assets			12,144	387		12,531
Inter-group receivables	16	10,042	275	1,173	(11,506)	
Other assets	271	116	190	43		620
Total non-current assets	**287**	**10,158**	**17,807**	**2,369**	**(12,787)**	**17,834**
Total assets	**292**	**10,392**	**21,244**	**3,014**	**(13,054)**	**21,888**
Liabilities						
Trade and other payables	11	236	1,256	255		1,758
Borrowings	1		503	17		521
Inter-group payables			267		(267)	-
Other liabilities	4		460	64		528
Total current liabilities	**16**	**236**	**2,486**	**336**	**(267)**	**2,807**
Borrowings		9,993	5,491	1,141		16,625
Inter-group liabilities	475	23	11,231	252	(11,981)	
Other liabilities			2,511	122		2,633
Total non-current liabilities	**475**	**10,016**	**19,233**	**1,515**	**(11,981)**	**19,258**

Total liabilities	**491**	**10,252**	**21,719**	**1,851**	**(12,248)**	**22,065**
Net assets	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**
Equity						
Equity attributable to equity holder of the Group	(199)	140	(475)	1,163	(828)	(199)
Non-controlling interests					22	22
Total equity (deficit)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
				(In $ million)		
Net cash from (used in) operating activities		**(547)**	**458**	**(104)**	**636**	**443**
Net cash from (used in) investing activities		**(3,897)**	**(2,460)**	**121**	**3,734**	**(2,502)**
Included in investing activities:						
Acquisition of property, plant and equipment			(416)	(95)		(511)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			58	13		71
Acquisition of intangible assets			(8)	(1)		(9)
Acquisition of businesses, net of cash acquired			(2,048)			(2,048)
Disposal of businesses, net of cash disposed						
Net related party advances (repayments)		(4,427)	(31)	88	4,370	
Net cash from (used in) financing activities		**4,419**	**1,948**	**9**	**(4,370)**	**2,006**
Included in financing activities:						
Drawdown of loans and borrowings		4,482	4,676	13		9,171
Repayment of loans and borrowings			(6,648)	(4)		(6,652)
Payment of liabilities arising from Graham Packaging Acquisition			(252)			(252)
Net related party borrowings		29	4,364	2	(4,370)	25
Payment of transaction costs		(92)	(187)			(279)

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			6,250	824	(300)	6,774
Cost of sales			(5,178)	(646)	300	(5,524)
Gross profit			**1,072**	**178**		**1,250**
Other income, other expenses and share of equity method earnings, net of income tax	(102)	(1)	138	8	(3)	40
Selling, marketing and distribution expenses			(198)	(33)		(231)
General and administration expenses	(3)		(362)	(27)		(392)
Profit (loss) from operating activities (EBIT)	**(105)**	**(1)**	**650**	**126**	**(3)**	**667**
Financial income	14	266	14	120	(348)	66
Financial expenses	(2)	(251)	(727)	(120)	348	(752)
Net financial income (expense)	**12**	**15**	**(713)**			**(686)**
Profit (loss) before income tax	(93)	14	(63)	126	(3)	(19)
Income tax benefit (expense)	(4)	(5)	(47)	(22)		(78)
Profit (loss) for the period	**(97)**	**9**	**(110)**	**104**	**(3)**	**(97)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial position
As of December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities (In $ million)	Adjustments and eliminations	Consolidated
Assets						
Cash and cash equivalents	1	25	528	110		664
Trade and other receivables	5		984	161		1,150
Inventories			1,159	122		1,281
Inter-group receivables		90		5	(95)	
Other assets			186	15		201
Total current assets	**6**	**115**	**2,857**	**413**	**(95)**	**3,296**
Investments in subsidiaries, associates and joint ventures			903	107	(900)	110
Property, plant and equipment			2,930	336		3,266
Investment properties			68			68
Intangible assets			8,598	150		8,748
Inter-group receivables	16	5,595	123	1,289	(7,023)	
Other assets	256	77	127	28		488
Total non-current assets	**272**	**5,672**	**12,749**	**1,910**	**(7,923)**	**12,680**
Total assets	**278**	**5,787**	**15,606**	**2,323**	**(8,018)**	**15,976**
Liabilities						
Trade and other payables	10	90	1,017	129		1,246
Borrowings			138	3		141
Inter-group payables			95		(95)	
Other liabilities	1		396	31		428
Total current liabilities	**11**	**90**	**1,646**	**163**	**(95)**	**1,815**
Borrowings		5,559	4,978	1,164		11,701
Inter-group liabilities	26	2	6,891	129	(7,048)	
Other liabilities		5	2,124	67		2,196
Total non-current liabilities	**26**	**5,566**	**13,993**	**1,360**	**(7,048)**	**13,897**

Total liabilities	**37**	**5,656**	**15,639**	**1,523**	**(7,143)**	**15,712**
Net assets	**241**	**131**	**(33)**	**800**	**(875)**	**264**
Equity						
Equity attributable to equity holder of the Group	241	131	(33)	800	(898)	241
Non-controlling interest					23	23
Total equity	**241**	**131**	**(33)**	**800**	**(875)**	**264**

F-157

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities (In $ million)	Adjustments and eliminations	Consolidated
Net cash from (used in) operating activities		**(171)**	**317**	**(34)**	**271**	**383**
Net cash from (used in) investing activities	**(322)**	**(3,810)**	**(4,594)**	**62**	**4,076**	**(4,588)**
Included in investing activities:						
Purchase of Whakatane Mill			(46)			(46)
Acquisition of property, plant and equipment			(250)	(69)		(319)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			31	1		32
Acquisition of businesses, net of cash acquired			(4,386)			(4,386)
Acquisition of intangible assets			(17)	(1)		(18)
Disposal of businesses, net of cash disposed			32			32
Net related party advances (repayments)		(3,980)	138	15	3,924	97
Net cash from (used in) financing activities	**322**	**3,993**	**4,412**	**(35)**	**(4,347)**	**4,345**
Included in financing activities:						
Acquisition of businesses under common control			(1,958)			(1,958)
Drawdown of loans and borrowings		4,000	2,820	2		6,822
Repayment of loans and borrowings			(478)	(3)		(481)
Proceeds from issues of share capital	322	102	322		(424)	322
Proceeds from related party borrowings			3,965		(3,965)	
Repayment of related party borrowings				(32)	32	
Payment of transaction costs		(99)	(194)			(293)

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2009

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			5,451	704	(245)	5,910
Cost of sales			(4,374)	(562)	245	(4,691)
Gross profit			**1,077**	**142**		**1,219**
Other income, other expenses and share of equity method earnings, net of income tax	121		204	17	(226)	116
Selling, marketing and distribution expenses			(182)	(29)		(211)
General and administration expenses	(1)	(1)	(378)	(30)	44	(366)
Profit (loss) from operating activities (EBIT)	**120**	**(1)**	**721**	**100**	**(182)**	**758**
Financial income	12	21	13	118	(143)	21
Financial expenses	(17)	(20)	(473)	(146)	143	(513)
Net financial income (expense)	**(5)**	**1**	**(460)**	**(28)**		**(492)**
Profit (loss) before income tax	115		261	72	(182)	266
Income tax benefit (expense)	2		(141)	(10)		(149)
Profit (loss) for the period	**117**		**120**	**62**	**(182)**	**117**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2009

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Net cash from (used in) operating activities			**649**	**10**	**111**	**770**
Net cash from (used in) investing activities	**(544)**	**(1,688)**	**(104)**	**70**	**2,131**	**(135)**
Included in investing activities:						
Acquisition of property, plant and equipment			(204)	(40)		(244)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			34	7		41
Acquisition of intangible assets			(43)	(5)		(48)
Acquisition of businesses, net of cash acquired			4			4
Disposal of businesses, net of cash disposed						
Net related party advances (repayments)		(1,688)	111	(9)	1,689	103
Net cash from (used in) financing activities	**545**	**1,699**	**(465)**	**(38)**	**(2,242)**	**(501)**
Included in financing activities:						
Acquisition of businesses under common control			(1,687)			(1,687)
Drawdown of loans and borrowings		1,789	1,504			3,293
Repayment of loans and borrowings			(2,350)	(32)		(2,382)
Proceeds from issues of share capital	544		578	17	(561)	578
Proceeds from related party borrowings	1	1	1,755		(1,689)	68
Repayment of related party borrowings		(1)	(174)	(6)	1	(180)
Payment of transaction costs		(67)	(83)			(150)

38. Subsequent events

Financing Transactions

On February 15, 2012, the Group issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Notes). Interest on the February 2012 Notes is paid semi-annually on February 15 and August 15 of each year, commencing August 15, 2012. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the February 2012 Notes to the extent permitted by law.

The net proceeds from the February 2012 Notes were used to redeem and discharge the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging 2014 Notes and the $249 million outstanding aggregate principal amount of the Pactiv 2012 Notes. The remaining net proceeds from the February 2012 Notes will be used for general corporate purposes.

On March 20, 2012, Graham Packaging Holdings Company and certain of its subsidiaries organized in the United States guaranteed the February 2012 Notes, the Notes, the 2007 Notes and the August 2011 Credit Agreement and provided collateral security for the Secured Notes and the August 2011 Credit Agreement. This change to the guarantee structure is reflected in the condensed consolidating guarantor financial information as presented in note 37.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

38. Subsequent events (continued)

Following the guarantee of the August 2011 Credit Agreement by Graham Packaging Holdings Company and certain of its subsidiaries as described above, the requirement to make additional principal amortization payments of $50 million per quarter under the August 2011 Credit Agreement terminated.

Other

In January 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in an estimated gain on sale of $66 million.

Other than the items disclosed above, there have been no events subsequent to December 31, 2011, which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed financial statements
for the three month periods ended
March 31, 2012 and March 31, 2011

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of comprehensive income

	Note	For the three month period ended March 31, 2012	2011*
		(In $ million)	
Revenue		3,312	2,367
Cost of sales		(2,714)	(1,924)
Gross profit		**598**	**443**
Other income	7	91	23
Selling, marketing and distribution expenses		(85)	(82)
General and administration expenses		(208)	(151)
Other expenses	8	(70)	(57)
Share of profit of associates and joint ventures, net of income tax		5	6
Profit from operating activities		**331**	**182**
Financial income	9	133	96
Financial expenses	9	(372)	(379)
Net financial expenses		**(239)**	**(283)**
Profit (loss) before income tax		**92**	**(101)**
Income tax (expense) benefit	10	(32)	46
Profit (loss) for the period		**60**	**(55)**
Other comprehensive income (loss) for the period, net of income tax			
Exchange differences on translating foreign operations		1	(119)
Total other comprehensive income (loss) for the period, net of income tax		**1**	**(119)**
Total comprehensive income (loss) for the period		**61**	**(174)**
Profit (loss) attributable to:			
Equity holder of the Group		60	(55)
Non-controlling interests			
		60	**(55)**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group		1	(119)

Non-controlling interests		
	1	**(119)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited condensed statements of comprehensive income should be read in conjunction with the notes to the interim unaudited condensed financial statements.

F-163

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of financial position

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
Assets			
Cash and cash equivalents		1,253	597
Trade and other receivables		1,514	1,501
Inventories	11	1,856	1,773
Current tax assets		38	39
Assets held for sale		24	70
Derivatives		4	1
Other assets		67	68
Total current assets		**4,756**	**4,049**
Non-current receivables		47	50
Investments in associates and joint ventures		125	119
Deferred tax assets		51	27
Property, plant and equipment	12	4,508	4,535
Investment properties		30	29
Intangible assets	13	12,477	12,531
Derivatives		210	122
Other assets		148	150
Total non-current assets		**17,596**	**17,563**
Total assets		**22,352**	**21,612**
Liabilities			
Bank overdrafts		3	3
Trade and other payables		1,831	1,747
Liabilities directly associated with assets held for sale			20
Borrowings	14	76	520
Current tax liabilities		128	160
Derivatives		10	16
Employee benefits		198	227
Provisions	15	112	98
Total current liabilities		**2,358**	**2,791**
Non-current payables		40	33
Borrowings	14	17,726	16,641
Deferred tax liabilities		1,568	1,539

Employee benefits		921	934
Provisions	15	131	127
Total non-current liabilities		**20,386**	**19,274**
Total liabilities		**22,744**	**22,065**
Net liabilities		**(392)**	**(453)**
Equity			
Share capital		1,417	1,417
Reserves		(1,250)	(1,251)
Accumulated losses		(581)	(641)
Equity attributable to equity holder of the Group		**(414)**	**(475)**
Non-controlling interests		22	22
Total equity (deficit)		**(392)**	**(453)**

The interim unaudited condensed statements of financial position should be read in conjunction with the notes to the interim unaudited condensed financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of changes in equity

	Share capital	Translation of foreign operations	Other reserves	Accumulated losses	Equity attributable to equity holder of the Group	Non-controlling interests	Total
				(In $ million)			
Balance at the beginning of the period (January 1, 2011)	1,417	331	(1,561)	(219)	**(32)**	23	**(9)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax*				(55)	**(55)**		**(55)**
Foreign exchange translation reserve		(119)			**(119)**		**(119)**
Total comprehensive income (loss) for the period		**(119)**		**(55)**	**(174)**		**(174)**
Dividends paid to non-controlling interests						(1)	**(1)**
Balance at March 31, 2011	**1,417**	**212**	**(1,561)**	**(274)**	**(206)**	**22**	**(184)**
Balance at the beginning of the period (January 1, 2012)	1,417	310	(1,561)	(641)	**(475)**	22	**(453)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax				60	**60**		**60**
Foreign exchange translation reserve		1			**1**		**1**
Total comprehensive income (loss) for the period		**1**		**60**	**61**		**61**
Balance at March 31, 2012	**1,417**	**311**	**(1,561)**	**(581)**	**(414)**	**22**	**(392)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited condensed statements of changes in equity should be read in conjunction with the notes to the interim unaudited condensed financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Cash flows from operating activities		
Cash received from customers	3,333	2,428
Cash paid to suppliers and employees	(2,897)	(2,229)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Net cash from operating activities	**86**	**169**
Cash flows used in investing activities		
Acquisition of property, plant and equipment and investment properties	(133)	(101)
Proceeds from sale of property, plant and equipment, investment properties and other assets	19	2
Acquisition of intangible assets	(3)	(4)
Disposal of business, net of cash disposed	94	
Disposal of other investments		1
Interest received	1	1
Dividends received from joint ventures	2	2
Net cash used in investing activities	**(20)**	**(99)**
Cash flows from (used in) financing activities		
Drawdown of loans and borrowings:		
February 2012 Senior Notes	1,250	
February 2011 Credit Agreement		2,666
February 2011 Notes		2,000
2009 Credit Agreement		10
Other borrowings	21	
Repayment of loans and borrowings:		
2011 Credit Agreement	(11)	
2009 Credit Agreement		(4,168)
Graham Packaging Notes	(388)	
Pactiv 2012 Notes	(249)	
Other borrowings	(11)	(1)
Payment of transaction costs	(30)	(56)
Dividends paid to related parties and non-controlling interests	(1)	(1)
Net cash from (used in) financing activities	**581**	**450**

Net increase (decrease) in cash and cash equivalents	**647**	**520**
Cash and cash equivalents at the beginning of the period	594	651
Effect of exchange rate fluctuations on cash held	9	11
Cash and cash equivalents at the end of the period	**1,250**	**1,182**
Cash and cash equivalents comprise		
Cash and cash equivalents	1,253	1,186
Bank overdrafts	(3)	(4)
Cash and cash equivalents at the end of the period	**1,250**	**1,182**

The interim unaudited condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited condensed financial statements.

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows (Continued)

Reconciliation of the profit (loss) for the period with the net cash from operating activities

	For the three month period ended March 31, 2012	2011*
	(In $ million)	
Profit (loss) for the period	60	(55)
Adjustments for:		
Depreciation of property, plant and equipment	191	132
Depreciation of investment properties		1
Amortization of intangible assets	97	71
Asset impairment charges	15	
Net foreign currency exchange loss (gain)	1	4
Change in fair value of derivatives	(9)	(4)
(Gain) loss on sale of property, plant and equipment and non-current assets	(2)	
Gain on sale of businesses	(66)	
Net financial expenses	239	283
Share of profit of equity accounted investees	(5)	(6)
Income tax expense (benefit)	32	(46)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Change in trade and other receivables	12	42
Change in inventories	(78)	(220)
Change in trade and other payables	(26)	37
Change in provisions and employee benefits	(28)	(41)
Change in other assets and liabilities	3	1
Net cash from operating activities	**86**	**169**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited condensed financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows (Continued)

Disposals of businesses

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Inflow (outflow) of cash:		
Cash receipts	80	
Cash received from the repayment of notes receivable for a previously disposed business	14	
	94	
Discharge of notes receivable relating to a previously disposed business	(14)	
Net assets disposed of	**80**	
Details of net assets disposed of:		
Trade and other receivables	11	
Inventories	15	
Other current and non-current assets	7	
Trade and other payables	(13)	
Provisions and employee benefits	(6)	
Net assets disposed of	**14**	
Gain on acquisition	66	
	80	

The interim unaudited condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited condensed financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (the Company) is a company domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés .

The interim unaudited condensed financial statements of the Company as of March 31, 2012 and for the three month periods ended March 31, 2012 and March 31, 2011 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of the Company is 6C, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting . The disclosures required in these interim unaudited condensed financial statements are less extensive than the disclosure requirements for annual financial statements. The December 31, 2011 statement of financial position as presented in the interim unaudited condensed financial statements was derived from the Group s audited financial statements for the year ended December 31, 2011, but does not include the disclosures required by IFRS as issued by the IASB.

The interim unaudited condensed financial statements comprise the statements of comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited condensed financial statements.

The interim unaudited condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements were approved by the Board of Directors (the Directors) on May 24, 2012.

2.2 Going concern

The interim unaudited condensed financial statements have been prepared using the going concern assumption.

2.3 Basis of measurement

The interim unaudited condensed financial statements have been prepared under the historical cost convention except for:

certain components of inventory which are measured at net realizable value;

defined benefit pension plan net liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and

certain assets and liabilities, such as derivatives, which are measured at fair value.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

2.4 Presentation currency

These interim unaudited condensed financial statements are presented in US dollars ($), which is the Group s presentation currency.

2.5 Comparative information

As previously reported, the valuation of the acquired assets and assumed liabilities from the Pactiv Acquisition was finalized in conjunction with the approval of the interim unaudited condensed financial statements as of and for the period ended September 30, 2011. This resulted in changes to the preliminary values of certain assets and liabilities recognized at the date of the Pactiv Acquisition on November 16, 2010. The change in values of certain assets resulted in changes to the depreciation and amortization expenses recognized in the period since acquisition. In accordance with the accounting policy described in note 3.1(a) of the financial statements of the Group for the year ended December 31, 2011, all adjustments on finalization of the purchase accounting have been recognized retrospectively to the acquisition date. As a result, certain elements of the interim unaudited condensed statement of comprehensive income for the three month period ended March 31, 2011, presented for comparative purposes, have been revised. Cost of sales increased by $7 million, general and administration expenses increased by $5 million and income tax benefit increased by $5 million. The finalization of this purchase accounting had no effect on the Group s statement of cash flows, EBITDA or Adjusted EBITDA for the period ended March 31, 2011.

In connection with the integration of the acquired Pactiv operations into the Reynolds Consumer Products and Pactiv Foodservice segments, the Group has completed a number of internal reorganizations which now enable these segments to report inventory transfers as inter-segment revenue and cost of sales. As a result, the Group revised its policy for recording inventory transfers from the Pactiv Foodservice segment to the Reynolds Consumer Products segment to present the transfers as inter-segment revenue effective in the first quarter of 2012. Prior to this, inter-segment inventory transfers had been recorded within the combined businesses shared balance sheet and not as inter-segment revenue. To conform to the current period presentation, information with respect to business segment reporting as presented for the three month period ended March 31, 2011 has been revised for the Pactiv Foodservice segment. As a result of this revision, inter-segment revenue of the Pactiv Foodservice segment increased by $105 million for the three month period ended March 31, 2011, with a corresponding increase in the corporate inter-segment revenue elimination. The revision had no impact on segment gross profit, profit from operating activities, EBITDA, Adjusted EBITDA and net loss for the three month period ended March 31, 2011, and no impact on the interim unaudited condensed statement of cash flows for the three month period ended March 31, 2011.

2.6 Accounting policies and recently issued accounting pronouncements

The accounting policies applied by the Group in the interim unaudited condensed financial statements are consistent with those applied by the Group in its annual financial statements for the year ended December 31, 2011.

Recently Issued Accounting Pronouncements

There have been no issued accounting pronouncements during the three month period ended March 31, 2012 that impact the Group. In addition, there have been no material changes to any previously issued accounting pronouncements or, to the Group s evaluation of the related impact, as disclosed by the Group in the annual financial statements for the year ended December 31, 2011.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

3. Use of estimates and judgments

In the preparation of the interim unaudited condensed financial statements, the Directors and management have made certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

3.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill and indefinite life intangible assets are impaired requires estimation of the recoverable values of the cash generating units (CGU) to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the CGU being reviewed). Significant judgment is involved in estimating the fair value of a CGU. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group s intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

3.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Group s provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.3 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than 12 months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of March 31,

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

2012, certain amounts presented for the acquisition of Graham Packaging have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a) of the annual financial statements of the Group for the year ended December 31, 2011, any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively to the date of acquisition.

4. Seasonality and Working Capital Fluctuations

Our business is impacted by seasonal fluctuations.

SIG

SIG s operations are moderately seasonal. SIG s customers are principally engaged in providing products such as beverages and food that are generally less sensitive to seasonal effects, although SIG experiences some seasonality as a result of increased consumption of juices and tea during the summer months in Europe. SIG therefore typically experiences a greater level of carton sleeve sales in the second and third quarters. Sales in the fourth quarter can increase due to additional purchases by customers prior to the end of the year to achieve annual volume rebates that SIG offers.

Evergreen

Evergreen s operations are moderately seasonal. Evergreen s customers are principally engaged in providing products that are generally less sensitive to seasonal effects, although Evergreen does experience some seasonality as a result of increased consumption of milk by school children during the North American academic year. Evergreen therefore typically experiences a greater level of carton product sales in the first and fourth quarters when North American schools are in session.

Closures

Closures operations are moderately seasonal. Closures experiences some seasonality as a result of increased consumption of bottled beverages during the summer months. In order to avoid capacity shortfalls in the summer months, Closures customers typically begin building inventories in advance of the summer season. Therefore, Closures typically experiences a greater level of closure sales in the second and third quarters in the Northern Hemisphere, which represented 83% of Closures total revenue in 2011, and in the fourth and first quarters in the Southern Hemisphere, which represented 17% of Closures total revenue in 2011.

Reynolds Consumer Products

Reynolds Consumer Products operations are moderately seasonal based on the different product lines. Sales in cooking products are typically higher in the fourth quarter of the year, primarily due to the holiday use of Reynolds Wrap foil, Reynolds Oven Bags and Reynolds Parchment Paper. Sales in waste and storage products are typically higher in the second half of the year in North America, coinciding with the harvest season and outdoor fall cleanup.

Pactiv Foodservice

Pactiv Foodservice s operations are moderately seasonal, peaking during the summer and fall months in the Northern Hemisphere when the favorable weather, harvest, and the holiday season lead to increased

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

consumption. Pactiv Foodservice therefore typically experiences a greater level of sales in the second through fourth quarters.

Graham Packaging

Graham Packaging s operations are slightly seasonal with higher levels of unit volume sales in the second and third quarters. Graham Packaging experiences some seasonality of bottled beverages during the summer months, most significantly in North America. Typically the business begins to build inventory in the first and early second quarters to prepare for the summer demand.

5. Financial risk management

5.1 Financial risk factors

Exposure to market risk (including currency risk, interest rate risk and commodity prices), credit risk and liquidity risk arises in the normal course of the Group s business. During the three month period ended March 31, 2012, the Group continued to apply the risk management objectives and policies which were disclosed in the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group s annual financial statements for the year ended December 31, 2011.

5.2 Liquidity risk

As described in note 14, during the three month period ended March 31, 2012, the Group issued the February 2012 Senior Notes. As a result of the notes issuance and other changes in borrowings, the Group s contractual cash flows related to total borrowings as of March 31, 2012 are as follows:

	Total debt and interest	Less than one year	One to three years	Three to five years	Greater than five years
			(In $million)		
March 31, 2012 *	28,097	1,500	2,928	5,848	17,821
December 31, 2011 *	26,635	1,878	3,453	5,841	15,463

* The interest rates on the floating rate debt balances have been assumed to be the same as the rates as of March 31, 2012 and December 31, 2011, respectively.

Trade and other payables that are due for payment in less than one year were $1,831 million and $1,747 million as of March 31, 2012 and December 31, 2011, respectively.

There have been no other significant changes in the contractual cash flows of the Group s other financial liabilities.

5.3 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group s financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
		(In $ million)		
March 31, 2012				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(6)		(6)
Embedded derivatives		210		210
Total		**204**		**204**
December 31, 2011				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**

There were no transfers between any levels during the three month period ended March 31, 2012. There have been no changes in the classifications of financial assets as a result of a change in the purpose or use of these assets.

6. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and to assess its performance.

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s reportable business segments under IFRS 8 are as follows:

SIG SIG is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces paper products for commercial printing.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

Reynolds Consumer Products Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 18).

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group s accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenues and expenses, financial income and expenses and income tax benefit and expense.

The CODM assesses the performance of the operating segments based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, non-cash pension income or expense, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm s-length basis.

Business segment reporting

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Total external revenue	467	386	293	555	816	795		3,312
		17	3	18	104		(142)	

Total inter-segment revenue								
Total segment revenue	**467**	**403**	**296**	**573**	**920**	**795**	**(142)**	**3,312**
Gross profit	105	55	53	158	146	83	(2)	598
Expenses and other income	(72)	(14)	(26)	(56)	(29)	(65)	(10)	(272)
Share of profit of associates and joint ventures	5							5

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Financial income								133
Financial expenses								(372)
Profit before income tax								**92**
Income tax benefit								(32)
Profit after income tax								**60**
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Depreciation and amortization	62	14	19	32	68	93		288
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions between segments.

F-176

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2012 (In $ million)							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**
Included in EBITDA:								
Asset impairment charges					10	5		**15**
Business acquisition and integration costs				1	11	6	2	**20**
Equity method (profit)/losses not distributed in cash	(3)							**(3)**
Gain on sale of businesses					(66)			**(66)**
Non-cash pension expense (income)							(13)	**(13)**
Non-cash inventory charge				3	6			**9**
Operational process engineering-related consultancy costs					2			**2**
Restructuring costs/(recoveries)	16				3	8		**27**
SEC registration costs							4	**4**
Unrealized (gain)/loss on derivatives	(3)		(4)	(2)				**(9)**
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**110**	**55**	**42**	**136**	**151**	**130**	**(19)**	**605**
Segment assets as of March 31, 2012	3,209	1,394	1,799	5,139	5,731	4,333	747	22,352

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of March 31, 2012, Corporate / unallocated includes $1,563 million of provisional goodwill related to the Graham Packaging Acquisition (refer to note 18) that has not yet been allocated to the operating segments.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2011							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Total external revenue	461	382	292	529	703			2,367
Total inter-segment revenue		7	3	12	114		(136)	
Total segment revenue	**461**	**389**	**295**	**541**	**817**		(136)	**2,367**
Gross profit	102	63	42	128	108			443
Expenses and other income	(60)	(14)	(24)	(65)	(100)		(4)	(267)
Share of profit of associates and joint ventures	6							6
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Financial income								96
Financial expenses								(379)
Profit before income tax								**(101)**
Income tax expense								46
Profit after income tax								**(55)**
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Depreciation and amortization	62	15	19	37	70			203
Earnings before interest, tax, depreciation and amortization (EBITDA)	**110**	**64**	**37**	**100**	**78**		**(4)**	**385**
Included in EBITDA:								

Business acquisition and integration costs					2			2
Equity method profit not distributed in cash	(4)							(4)
Gain on sale of businesses								
Non-cash pension expense (income)				1	2		(15)	(12)
Operational process engineering-related consultancy costs				1	3		1	5
Restructuring costs	1		1	9	23		12	46
Unrealized gain on derivatives		(1)		(1)	(2)			(4)
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**107**	**63**	**38**	**110**	**106**		**(6)**	**418**
Segment assets as of December 31, 2011	3,218	1,373	1,759	4,882	5,826	4,305	249	21,612

In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The inter-segment revenue for the three month period ended March 31, 2011 has been revised to conform to the presentation of the three month period ended March 31, 2012. Refer to note 2.5.

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

$1,566 million of provisional goodwill related to the Graham Packaging Acquisition that has not yet been allocated to the operating segments.

7. Other income

	For the three month period ended March 31,	
	2012	2011
	(In $ million)	
Gain on sale of business	66	
Income from facility management	1	3
Rental income from investment properties		2
Royalty income	1	1
Sale of by-products	6	7
Unrealized gains on derivatives	9	4
Other	8	6
Total other income	**91**	**23**

During the three month period ended March 31, 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in a gain on sale of $66 million.

8. Other expenses

	For the three month period ended March 31,	
	2012	2011
	(In $ million)	
Asset impairment charges	(15)	
Business acquisition and integration costs	(20)	(2)
Net foreign currency exchange loss	(1)	(4)
Operational process engineering-related consultancy costs	(2)	(5)
Restructuring costs	(27)	(46)

SEC registration costs	(4)	
Other	(1)	
Total other expenses	**(70)**	**(57)**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

9. Financial income and expenses

	Note	For the three month period ended March 31, 2012	2011
		(In $ million)	
Interest income		1	1
Net gain in fair values of derivatives		81	
Net foreign currency exchange gain		51	95
Financial income		**133**	**96**
Interest expense:			
August 2011 Credit Agreement		(76)	
February 2011 Credit Agreement			(16)
2009 Credit Agreement			(29)
February 2012 Senior Notes		(15)	
August 2011 Notes		(54)	
February 2011 Notes		(39)	(25)
October 2010 Notes		(64)	(61)
May 2010 Senior Notes		(24)	(21)
2009 Senior Secured Notes		(33)	(35)
Related Party Notes		(26)	(27)
Pactiv 2012 Notes		(3)	(4)
Pactiv 2017 Notes		(6)	(6)
Pactiv 2025 Notes		(6)	(6)
Pactiv 2027 Notes		(4)	(4)
Graham Packaging 2014 Notes		(7)	
Amortization of:			
Debt issuance costs			
August 2011 Credit Agreement		(2)	
2009 Credit Agreement(a)			(86)
August 2011 Notes		(1)	
October 2010 Notes		(2)	(3)
May 2010 Senior Notes		(1)	(1)
2009 Senior Secured Notes		(2)	(2)
Related Party Notes		(1)	(1)
Fair value adjustment on acquired notes		10	2
Original issue discounts(a)		(2)	(38)

Embedded derivatives	8	2
Net loss in fair values of derivatives		(16)
Premium on extinguishment of debt	(17)	
Other	(5)	(2)
Financial expenses	**(372)**	**(379)**
Net financial expenses	**(239)**	**(283)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes and the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance cost of $86 million and unamortized original issue discount of $38 million related to the 2009 Credit Agreement were expensed during the three month period ended March 31, 2011. Refer to note 14 for details of the Group s borrowings.

10. Income tax

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Reconciliation of effective tax rate		
Profit (loss) before income tax	**92**	**(101)**
Income tax benefit (expense) using the New Zealand tax rate of 28%	(26)	28
Effect of differences in foreign jurisdictions	(1)	14
Effect of tax rates in state and local tax	(2)	3
Non-deductible expenses and permanent differences	1	(2)
Withholding tax	(4)	(2)
Tax rate modifications		(1)
Recognition of previously unrecognized tax losses and temporary differences	8	17
Unrecognized tax losses and temporary differences	(9)	(7)
Tax uncertainties	1	(1)
Other		(3)
Total income tax (expense) benefit	**(32)**	**46**

11. Inventories

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
Raw materials and consumables	498	556
Work in progress	261	229

Finished goods	1,012	898
Engineering and maintenance materials	157	159
Provision against inventories	(72)	(69)
Total inventories	**1,856**	**1,773**

During the three month period ended March 31, 2012, the raw materials elements of inventory recognized as a component of cost of sales totaled $1,668 million (2011: $1,166 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

12. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Finance leased assets	Total
				(In $ million)			
Cost	241	1,027	4,111	362	349	28	6,118
Accumulated depreciation		(201)	(1,221)		(164)	(5)	(1,591)
Accumulated impairment losses	(2)	(5)	(12)				(19)
Balance as of March 31, 2012	**239**	**821**	**2,878**	**362**	**185**	**23**	**4,508**
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Balance as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**

The total depreciation charge of $191 million and $132 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $184 million; March 31, 2011: $126 million), selling, marketing and distribution expenses (March 31, 2012: $1 million; March 31, 2011: $1 million) and general and administration expenses (March 31, 2012: $6 million; March 31, 2011: $5 million).

During the three month period ended March 31, 2012, $14 million of impairment charges were recognized (three month period ended March 31, 2011: none.)

The Group leases plant and equipment under finance leases. The leased plant and equipment secures the lease obligations.

Refer to note 14 for details of security granted over property, plant and equipment and other assets.

13. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total

	(In $million)					
Cost	6,291	2,071	3,785	1,101	244	13,492
Accumulated amortization		(27)	(510)	(362)	(116)	(1,015)
Balance as of March 31, 2012	**6,291**	**2,044**	**3,275**	**739**	**128**	**12,477**
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Balance as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**

The total amortization charge of $97 million and $71 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $29 million; March 31, 2011: $22 million) and general and administration expenses (March 31, 2012: $68 million; March 31, 2011: $49 million).

Intangible assets include unallocated goodwill of $1,563 million in respect of the Graham Packaging Acquisition that has been determined on a provisional basis. Refer to note 18 regarding the details of the purchase price allocation and associated impact on the Group s financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

13.1 Impairment testing for CGUs containing indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangible assets with indefinite useful lives and are therefore not subject to amortization. Instead, recoverable amounts are calculated annually as well as whenever there is an indication that they may be impaired. There were no indicators of impairment as of March 31, 2012.

14. Borrowings

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
August 2011 Credit Agreement(a)(u)		47	247
Pactiv 2012 Notes(m)(y)			253
Other borrowings(aa)		29	20
Current borrowings		**76**	**520**
August 2011 Credit Agreement(a)(u)		4,444	4,243
February 2012 Senior Notes(b)(v)		1,222	
August 2011 Senior Secured Notes(c)(w)		1,469	1,468
August 2011 Senior Notes(d)(w)		972	972
February 2011 Senior Secured Notes(e)(w)		999	999
February 2011 Senior Notes(f)(w)		993	993
October 2010 Senior Secured Notes(g)(w)		1,473	1,473
October 2010 Senior Notes(h)(w)		1,467	1,466
May 2010 Senior Notes(i)(w)		981	980
2009 Senior Secured Notes(j)(w)		1,663	1,642
Related Party Notes at 8%(k)(x)		626	606
Related Party Notes at 9.5%(l)(x)		548	530
Pactiv 2017 Notes(n)(y)		314	314
Pactiv 2018 Notes(o)(y)		17	17
Pactiv 2025 Notes(p)(y)		269	269
Pactiv 2027 Notes(q)(y)		197	197
Graham Packaging 2014 Notes(r)(z)			367
Graham Packaging 2017 Notes(s)(z)			14
Graham Packaging 2018 Notes(t)(z)			19
Related party borrowings	17	41	39
Other borrowings(aa)		31	33

Non-current borrowings	**17,726**	**16,641**
Total borrowings	**17,802**	**17,161**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,572	4,574
Debt issuance costs	(63)	(65)
Original issue discount	(18)	(19)
Carrying amount	**4,491**	**4,490**
(b) February 2012 Senior Notes	1,250	
Debt issuance costs	(34)	
Embedded derivative	6	
Carrying amount	**1,222**	
(c) August 2011 Senior Secured Notes	1,500	1,500
Debt issuance costs	(33)	(33)
Original issue discount	(10)	(11)
Embedded derivative	12	12
Carrying amount	**1,469**	**1,468**
(d) August 2011 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(27)
Original issue discount	(7)	(7)
Embedded derivative	6	6
Carrying amount	**972**	**972**
(e) February 2011 Senior Secured Notes	1,000	1,000
Debt issuance costs	(15)	(15)
Embedded derivative	14	14
Carrying amount	**999**	**999**
(f) February 2011 Senior Notes	1,000	1,000
Debt issuance costs	(17)	(17)
Embedded derivative	10	10
Carrying amount	**993**	**993**

(g) October 2010 Senior Secured Notes	1,500	1,500
Debt issuance costs	(35)	(35)
Embedded derivative	8	8
Carrying amount	**1,473**	**1,473**
(h) October 2010 Senior Notes	1,500	1,500
Debt issuance costs	(42)	(43)
Embedded derivative	9	9
Carrying amount	**1,467**	**1,466**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(i) May 2010 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(28)
Embedded derivative	8	8
Carrying amount	**981**	**980**
(j) 2009 Senior Secured Notes	1,726	1,707
Debt issuance costs	(57)	(59)
Original issue discount	(16)	(17)
Embedded derivative	10	11
Carrying amount	**1,663**	**1,642**
(k) Related Party Notes at 8%	641	621
Debt issuance costs	(15)	(15)
Carrying amount	**626**	**606**
(l) Related Party Notes at 9.5%	561	544
Debt issuance costs	(13)	(14)
Carrying amount	**548**	**530**
(m) Pactiv 2012 Notes		249
Fair value adjustment at acquisition		4
Carrying amount		**253**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	14
Carrying amount	**314**	**314**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**

(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes		355
Fair value adjustment at acquisition		5
Embedded derivative		7
Carrying amount		**367**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(s) Graham Packaging 2017 Notes		14
Carrying amount		**14**
(t) Graham Packaging 2018 Notes		19
Carrying amount		**19**

(u) August 2011 Credit Agreement

RGHL and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined in the Group s annual financial statements for the year ended December 31, 2011). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity date	Original facility value	Value drawn or utilized at March 31, 2012	Applicable interest rate for the three month period ended March 31, 2012
		(In $ million)		
Term Tranches				
Tranche B Term Loan ($)	February 9, 2018	2,325	2,277	6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,969	6.500%
European Term Loan ( )	February 9, 2018	250	245	6.750%
Revolving Tranches(1)				
Revolving Tranche ($)	November 5, 2014	120	79	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

RGHL and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Senior Secured Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (each as defined below, and together the Secured Notes).

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. The additional principal amortization payments of $50 million per quarter are no longer applicable as, effective March 2012, the Graham Packaging Holdings Company and certain of its subsidiaries now guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries, and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of March 31, 2012, RGHL and the Group were in compliance with all of the covenants.

(v) February 2012 Senior Notes

On February 15, 2012, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together, the Reynolds Issuers) issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Senior Notes). Interest is paid semi-annually on February 15 and August 15, commencing August 15, 2012.

(w) Additional notes outstanding

Certain of the Group s borrowings issued by the Reynolds Issuers are summarized below:

	Currency	Issue date	Principal amounts issued (in million)	Interest rate	Maturity date	Semi-annual interest payment dates
August 2011 Senior Secured Notes	$	August 9, 2011	1,500	7.875%	August 15, 2019	February 15 and August 15
August 2011 Senior Notes	$	August 9, 2011	1,000	9.875%	August 15, 2019	February 15 and August 15
February 2011 Senior Secured Notes	$	February 1, 2011	1,000	6.875%	February 15, 2021	February 15 and August 15
February 2011 Senior Notes	$	February 1, 2011	1,000	8.250%	February 15, 2021	February 15 and August 15
October 2010 Senior Secured Notes	$	October 15, 2010	1,500	7.125%	April 15, 2019	April 15 and October 15
October 2010 Senior Notes	$	October 15, 2010	1,500	9.000%	April 15, 2019	April 15 and October 15
May 2010 Senior Notes	$	May 4, 2010	1,000	8.500%	May 15, 2018	May 15 and November 15

2009 Senior Secured Notes (Dollar)	$	November 5, 2009	1,125	7.750%	October 15, 2016	April 15 and October 15
2009 Senior Secured Notes (Euro)		November 5, 2009	450	7.750%	October 15, 2016	April 15 and October 15

The August 2011 Senior Secured Notes and the August 2011 Senior Notes are collectively defined as the August 2011 Notes . The February 2011 Senior Secured Notes and the February 2011 Senior Notes are collectively defined as the February 2011 Notes . The October 2010 Senior Secured Notes and the October 2010 Senior Notes are collectively defined as the October 2010 Notes . The 2009 Senior Secured Notes (Dollar) and the 2009 Senior Secured Notes (Euro) are collectively defined as the 2009 Senior Secured Notes .

Assets pledged as security for loans and borrowings

The shares in the Company have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, the Company and certain of its subsidiaries have

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms governing the Notes

As used herein Notes refers to the February 2012 Senior Notes, the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Senior Notes and the 2009 Senior Secured Notes.

Additional information regarding the Notes

The guarantee and security arrangements, indenture restrictions, early redemption options and change in control provisions for the February 2012 Senior Notes are consistent with the other series of Notes, which are unchanged from December 31, 2011.

U.S. Securities and Exchange Commission registration rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the May 2010 Senior Notes commenced on May 4, 2011 and ended on May 4, 2012. For the three month period ended March 31, 2012, the Group expensed additional interest of $1 million, $4 million, and $2 million related to the February 2011 Notes, the October 2010 Notes, and the May 2010 Senior Notes, respectively. As of March 31, 2012, the accrued additional interest related to these series of notes was $10 million.

(x) Related Party Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A. (BP II) (a related party of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15. Concurrent with the issuance of the 2007 Notes, BP II loaned 900 million to the Company, consisting of 480 million principal amount with an interest rate of 8.000% (the Related Party Notes at 8%) and 420 million principal amount with an interest rate of 9.500% (the Related Party Notes at 9.5% and together with the Related Party Notes at 8%, the Related Party Notes). The interest payment and final maturity dates of the Related Party Notes are consistent with those of the 2007 Notes.

The guarantee and security arrangements, indenture restrictions, and change of control provisions of the 2007 Notes are unchanged from December 31, 2011.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

(y) Pactiv Notes

As of March 31, 2012, the Group had outstanding the following notes issued by Pactiv LLC (formerly Pactiv Corporation) (defined below, and together the Pactiv Notes):

	Currency	Date acquired by the Group	Principal amounts outstanding (in $ million)	Interest rate	Maturity date	Semi-annual interest payment dates
Pactiv 2017 Notes	$	November 16, 2010	300	8.125%	June 15, 2017	June 15 and December 15
Pactiv 2018 Notes	$	November 16, 2010	16	6.400%	January 15, 2018	January 15 and July 15
Pactiv 2025 Notes	$	November 16, 2010	276	7.950%	December 15, 2025	June 15 and December 15
Pactiv 2027 Notes	$	November 16, 2010	200	8.375%	April 15, 2027	April 15 and October 15

The guarantee arrangements, indenture restrictions, and redemption terms are unchanged from December 31, 2011.

During the three month period ended March 31, 2012, the Group redeemed and discharged the Pactiv 2012 Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(z) Graham Packaging Notes

During the three month period ended March 31, 2012, the Group redeemed and discharged the Graham Packaging Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(aa) Other borrowings

As of March 31, 2012, in addition to the August 2011 Credit Agreement, the Notes, the Related Party Notes, and the Pactiv Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of March 31, 2012, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of March 31, 2012, the secured facilities were utilized in the amount of $32 million (December 31, 2011: $25 million) in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other borrowings as of March 31, 2012, also included finance lease obligations of $28 million (December 31, 2011: $28 million).

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

15. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Current	7	13	46	23	23	112
Non-current	30		3	25	73	131
Balance as of March 31, 2012	**37**	**13**	**49**	**48**	**96**	**243**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**

The restructuring actions across the Group have resulted in the recognition of $27 million and $45 million of restructuring expenses for the three month periods ended March 31, 2012 and March 31, 2011, respectively. These restructuring expenses are primarily related to employee severance and have been or will be settled in cash.

The main components of other provisions are lease provisions and environmental remediation provisions. Other provisions at March 31, 2012 included $27 million related to make good obligations with respect to leases assumed as part of the Pactiv, Graham Packaging and Dopaco Acquisitions, $17 million related to asset retirement obligations, which were assumed in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $9 million related to environmental remediation programs.

16. Equity

16.1 Share capital

Beverage Packaging Holdings (Luxembourg) I S.A.

Number of shares	**For the three month period ended March 31, 2012**	**For the twelve month period ended December 31, 2011**
Balance at the beginning of the period	13,063,527	13,063,527
Issue of shares		

Balance	13,063,527	13,063,527

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to the Company s residual assets in the event of a wind-up.

16.2 Other reserves

The interim unaudited condensed statement of financial position as of March 31, 2012 presents negative equity of $392 million compared to negative equity of $453 million as of December 31, 2011. The reduction in negative equity is primarily attributable to the current period profit. Total equity had been reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

as a reduction in equity. As of March 31, 2012, the common control transactions had generated a reduction in equity of $1,561 million.

16.3 Dividends

There were no dividends declared or paid during the three month period ended March 31, 2012 (2011: none) by the Company.

17. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is RGHL, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the three month periods ended March 31, 2012 and 2011, are detailed below:

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
	2012	2011	March 31, 2012	December 31, 2011
	(In $ million)			
Transactions with the immediate and ultimate parent companies				
Loan payable to immediate parent(a)			(17)	(16)
Transactions with joint ventures				
Sale of goods(b)	42	25	36	25
Purchase of goods(b)		(4)		
Transactions with other related parties				
Trade receivables				
BPC United States Inc.			4	4
Sale of services		1		
Carter Holt Harvey Limited				
Sale of goods		2		
Carter Holt Harvey Packaging Pty Limited				

Sale of goods		4		
Carter Holt Harvey Pulp & Paper Limited				
Sale of goods	1	1		
FRAM Group Operations LLC			1	1
United Components, Inc.			1	1

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	Transaction values for the three month period ended March 31, 2012	2011	Balances outstanding as of March 31, 2012	December 31, 2011
	(In $ million)			
Trade payables				
Carter Holt Harvey Limited				(1)
Purchase of goods	(3)			
Carter Holt Harvey Pulp and Paper Limited			(3)	(5)
Purchase of goods	(7)	(9)		
Rank Group Limited			(46)	(41)
Recharges(c)	(9)	(9)		
Rank Group North America Inc.				
Recharges(d)	(7)			
Loans payable				
Beverage Packaging Holdings (Luxembourg) II S.A.(f)			(1,174)	(1,136)
Interest payable			(31)	(4)
Interest expense	(26)	(27)		
Reynolds Treasury (NZ) Limited(e)			(24)	(23)
Payable related to transfer of tax losses to:				
Evergreen Packaging New Zealand Limited			(3)	
Transfer of tax losses	(3)			
Reynolds Packaging Group (NZ) Limited			(7)	
Transfer of tax losses	(7)			

(a) The advance due to RGHL accrued interest at a rate based on EURIBOR plus a margin of 2.375%. During the three month period ended March 31, 2012, interest accrued at a rate of 3.72% (2011: 3.38%). The loan is subordinated to the obligations under the August 2011 Credit Agreement, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, and the 2009 Senior Secured Notes, and is subject to certain other payment restrictions, including in favor of the 2007 Notes under the terms of the inter-creditor arrangements.

(b) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(c) Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) Represents certain costs paid by Rank Group North America Inc. on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to services provided.

(e) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. The loan bears interest at the greater of 2% and the 3 month EURIBOR rate, plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties.

(f) Refer to note 14 for further details on the Group s borrowings with BP II.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

18. Business combinations

18.1 Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the values allocated to assets, liabilities and contingent liabilities as of the date of acquisition. As noted in the table below, certain assets and liabilities have been recognized on a provisional basis. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuers, is still in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management is continuing to review the underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these preliminary purchase price allocations will have implications on the measurement of deferred tax assets and liabilities. The preliminary valuations will be finalized no later than September 8, 2012.

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374

Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net assets (liabilities) acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. All measurement period adjustments were recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as March 31, 2012. Management is in the process of reviewing and finalizing balances.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market- based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary assessment.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of identifiable intangible assets	**Fair value (in $ million)**	**Estimated useful lives**
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful life is between 10 and 15 years.

Prior to the acquisition, Graham Packaging reported its results under US GAAP. Accordingly, it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Graham Packaging contributed revenues of $795 million, loss after income tax of $28 million, EBITDA of $111 million, and Adjusted EBITDA of $130 million to the Group for the period from January 1, 2012 to March 31, 2012. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed revenue of $757 million, profit after income tax of $8 million, EBITDA of $123 million and Adjusted EBITDA of $135 million in the three month period ended March 31, 2011.

18.2 Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million (the Dopaco Acquisition). As reported in the annual financial statements for the year ended December 31, 2011, the allocation of the purchase price as of the date of acquisition has been finalized. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed additional revenue of $108 million, profit after income tax of $2 million, EBITDA of $9 million and Adjusted EBITDA of $12 million in the three month period ended March 31, 2011.

19. Contingencies

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 15, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness described in note 14.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

20. Subsequent events

There have been no events subsequent to March 31, 2012 which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Financial statements for the period ended

December 31, 2011

F-197

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors of Beverage Packaging Holdings (Luxembourg) I S.A.:

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Beverage Packaging Holdings (Luxembourg) I S.A. and its subsidiaries (the Company) at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 5, 2012

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of comprehensive income

		For the period ended December 31,		
	Note	**2011**	**2010**	**2009**
			(In $ million)	
Revenue	7	11,789	6,774	5,910
Cost of sales	*	(9,725)	(5,524)	(4,691)
Gross profit		**2,064**	**1,250**	**1,219**
Other income	8	87	102	201
Selling, marketing and distribution expenses	*	(347)	(231)	(211)
General and administration expenses	*	(626)	(388)	(366)
Other expenses	10	(268)	(80)	(96)
Share of profit of associates and joint ventures, net of income tax	23	17	18	11
Profit from operating activities		**927**	**671**	**758**
Financial income	12	6	41	13
Financial expenses	12	(1,409)	(750)	(499)
Net financial expenses		(1,403)	(709)	(486)
Income (loss) before income tax		**(476)**	**(38)**	**272**
Income tax benefit (expense)	13	56	(72)	(148)
Profit (loss) for the period		**(420)**	**(110)**	**124**
Other comprehensive income (loss) for the period, net of income tax				
Cash flow hedges				12
Exchange differences on translating foreign operations		(22)	228	71
Transfers from foreign currency translation reserve to profit and loss			49	
Total other comprehensive income (loss) for the period, net of income tax	14	(22)	277	83
Total comprehensive income (loss) for the period		**(442)**	**167**	**207**
Profit (loss) attributable to:				
Equity holder of the Group		(422)	(110)	124
Non-controlling interests		2		
		(420)	**(110)**	**124**

Total other comprehensive income (loss) attributable to:			
Equity holder of the Group	(21)	278	83
Non-controlling interests	(1)	(1)	
	(22)	**277**	**83**

* For information on expenses by nature, refer to notes 9, 11, 16, 18, 19, 22, and 34.

The statements of comprehensive income should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of financial position

	Note	As of December 31, 2011	2010
		(In $ million)	
Assets			
Cash and cash equivalents	15	597	663
Trade and other receivables	16	1,501	1,145
Inventories	18	1,773	1,281
Current tax assets	21	39	109
Assets held for sale	17	70	18
Derivatives	29	1	12
Other assets		68	62
Total current assets		**4,049**	**3,290**
Non-current receivables	16	50	47
Investments in associates and joint ventures	23	119	110
Deferred tax assets	21	27	23
Property, plant and equipment	19	4,535	3,266
Investment properties	20	29	68
Intangible assets	22	12,531	8,748
Derivatives	29	122	77
Other assets		150	75
Total non-current assets		**17,563**	**12,414**
Total assets		**21,612**	**15,704**
Liabilities			
Bank overdrafts		3	12
Trade and other payables	24	1,747	1,239
Liabilities directly associated with assets held for sale	17	20	
Borrowings	25	520	140
Current tax liabilities	21	160	142
Derivatives	29	16	1
Employee benefits	26	227	195
Provisions	27	98	74
Total current liabilities		**2,791**	**1,803**
Non-current payables	24	33	9
Borrowings	25	16,641	11,717
Deferred tax liabilities	21	1,539	1,127
Employee benefits	26	934	971

Provisions	27	127	86
Total non-current liabilities		**19,274**	**13,910**
Total liabilities		**22,065**	**15,713**
Net liabilities		**(453)**	**(9)**
Equity (deficit)			
Share capital	28	1,417	1,417
Reserves	28	(1,251)	(1,230)
Accumulated losses		(641)	(219)
Equity (deficit) attributable to equity holder of the Group		**(475)**	**(32)**
Non-controlling interests		22	23
Total equity (deficit)		**(453)**	**(9)**

The statements of financial position should be read in conjunction with the notes to the financial statements.

F-200

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of changes in equity

	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Accumulated losses	Equity (deficit) attributable to equity holder of the Group	Non-controlling interests	Total
					(In $ million)				
Balance at the beginning of the period (January 1, 2009)		1,604	(18)	71	(12)	(197)	**1,448**	17	**1,465**
Issue of shares (net of issue costs)	28	880					**880**		**880**
Total comprehensive income for the period:									
Profit after tax						124	**124**		**124**
Exchange differences on translating foreign operations			71				**71**		**71**
Cash flow hedges					12		**12**		**12**
Total comprehensive income for the period			**71**		**12**	**124**	**207**		**207**
Common control transactions	32	(1,108)		(584)			**(1,692)**		**(1,692)**
Dividends paid to non-controlling interests								(1)	**(1)**
Balance as of December 31, 2009		**1,376**	**53**	**(513)**		**(73)**	**843**	**16**	**859**
Balance at the beginning of the period (January 1, 2010)		1,376	53	(513)		(73)	**843**	16	**859**
	28	947					**947**		**947**

Issue of shares (net of issue costs)								
Total comprehensive income for the period:								
Loss after tax					(110)	**(110)**		**(110)**
Exchange differences on translating foreign operations			278			**278**	(1)	**277**
Total comprehensive income for the period			**278**		**(110)**	**168**	**(1)**	**167**
Common control transactions	32	(906)		(1,048)		**(1,954)**		**(1,954)**
Purchase of non-controlling interest					3	**3**	(5)	**(2)**
Non-controlling interests acquired through business combinations							18	**18**
Disposal of business							(3)	**(3)**
Dividends paid	28				(39)	**(39)**	(2)	**(41)**
Balance as of December 31, 2010		**1,417**	**331**	**(1,561)**	**(219)**	**(32)**	**23**	**(9)**
Balance at the beginning of the period (January 1, 2011)		1,417	331	(1,561)	(219)	**(32)**	23	**(9)**
Total comprehensive loss for the period:								
Loss after tax					(422)	**(422)**	2	**(420)**
Exchange differences on translating foreign operations			(21)			**(21)**	(1)	**(22)**
Total comprehensive loss for the period			**(21)**		**(422)**	**(443)**	**1**	**(442)**
Dividends paid							(2)	**(2)**
Balance as of December 31, 2011		**1,417**	**310**	**(1,561)**	**(641)**	**(475)**	**22**	**(453)**

The statements of changes in equity should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows

	Note	2011	2010	2009
		For the period ended December 31, (In $ million)		
Cash flows from operating activities				
Cash received from customers		11,486	6,798	6,081
Cash paid to suppliers and employees		(9,868)	(5,635)	(4,941)
Interest paid		(1,003)	(451)	(266)
Income taxes paid, net of refunds received		(88)	(125)	(108)
Change of control payment and other acquisition costs		(84)	(181)	
Payment to related party for use of tax losses			(23)	
Net cash from operating activities		**443**	**383**	**766**
Cash flows used in investing activities				
Purchase of Whakatane Mill			(46)	
Acquisition of property, plant and equipment and investment properties		(511)	(319)	(244)
Proceeds from sale of property, plant and equipment, investment properties and other assets		71	32	41
Acquisition of intangible assets		(9)	(18)	(48)
Acquisition of businesses, net of cash acquired	33	(2,048)	(4,386)	4
Disposal of businesses, net of cash disposed			33	
Disposal of other investments			10	4
Pre-acquisition advance to Graham Packaging		(20)		
Receipt of related party advances			97	102
Interest received		7	5	8
Dividends received from joint ventures		8	4	1
Net cash used in investing activities		**(2,502)**	**(4,588)**	**(132)**
Cash flows from (used in) financing activities				
Acquisitions of business under common control			(1,958)	(1,687)
Drawdown of loans and borrowings:				
August 2011 Credit Agreement		4,666		
August 2011 Notes		2,482		
February 2011 Notes		2,000		
October 2010 Notes			3,000	
May 2010 Notes			1,000	
2009 Notes				1,789
2009 Credit Agreement		10	2,820	1,404
Other borrowings		13	2	100

Repayment of loans and borrowings:				
2011 Credit Agreement		(75)		
2009 Credit Agreement		(4,168)	(38)	
Graham Packaging borrowings acquired	33	(1,935)		
Graham Packaging 2017 Notes		(239)		
Graham Packaging 2018 Notes		(231)		
Pactiv borrowings acquired			(397)	
Blue Ridge Facility			(43)	
2008 Reynolds Senior Credit Facilities				(1,500)
2007 SIG Senior Credit Facilities				(742)
CHH Facility				(13)
Other borrowings		(4)	(4)	(127)
Payment of liabilities arising from Graham Packaging Acquisition		(252)		
Premium on Graham Packaging 2017 and 2018 Notes		(5)		
Proceeds from issues of share capital			322	578
Proceeds from related party borrowings		25		68
Repayment of related party borrowings				(180)
Payment of transaction costs		(279)	(317)	(190)
Purchase of non-controlling interests			(3)	
Dividends paid to related parties and non-controlling interests		(2)	(39)	(1)
Net cash from (used in) financing activities		**2,006**	**4,345**	**(501)**
Net increase (decrease) in cash and cash equivalents		**(53)**	**140**	**133**
Cash and cash equivalents at the beginning of the period		651	514	383
Effect of exchange rate fluctuations on cash held		(4)	(3)	(2)
Cash and cash equivalents as of December 31		**594**	**651**	**514**
Cash and cash equivalents comprise				
Cash and cash equivalents		597	663	515
Bank overdrafts		(3)	(12)	(1)
Cash and cash equivalents as of December 31		**594**	**651**	**514**

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows (Continued)

Reconciliation of the profit for the period with the net cash from operating activities

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Profit (loss) for the period	(420)	(110)	124
Adjustments for:			
Depreciation of property, plant and equipment	650	317	331
Depreciation of investment properties	1	2	2
Asset impairment charges	12	29	13
Amortization of intangible assets	321	185	169
Net foreign currency exchange loss	7	3	3
Change in fair value of derivatives	26	(4)	(129)
Loss (gain) on sale of property, plant and equipment and non-current assets	1	(5)	(4)
Gains on sale of businesses and investment properties	(5)	(16)	
CSI Americas gain on acquisition		(10)	
Net financial expenses	1,403	709	486
Share of profit of equity accounted investees	(17)	(18)	(11)
Income tax (benefit) expense	(56)	72	148
Interest paid	(1,003)	(451)	(266)
Income taxes paid, net of refunds received	(88)	(125)	(108)
Change in trade and other receivables	(56)	(45)	(43)
Change in inventories	(171)	41	92
Change in trade and other payables	(8)	9	(24)
Change in provisions and employee benefits	(154)	(202)	6
Change in other assets and liabilities		2	(23)
Net cash from operating activities	**443**	**383**	**766**

Significant non-cash financing and investing activities

During the period ended December 31, 2010, Evergreen Packaging Inc. (EPI) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in amounts of CA$30 million ($29 million), NZ$776 million ($568 million) and $28 million.

During the period ended December 31, 2009, Evergreen Packaging International B.V. s (EPIBV) parent company at the time, Evergreen Packaging (Antiilles) N.V., contributed 47 million ($61 million) as a non-stipulated share premium without the issuance of shares.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows (Continued)

Acquisitions and disposals of businesses

	For the period ended December 31,					
	2011		2010		2009	
	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions *	Disposals
	(In $ million)					
Inflow (outflow) of cash:						
Cash receipts (payments)	(2,192)		(4,488)	33	4	
Net cash (bank overdraft) acquired (disposed of)	144		102			
Consideration received, satisfied in notes receivable				14		
Consideration subject to post-closing adjustments*				1	3	
	(2,048)		**(4,386)**	**48**	**7**	
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Net gain on sale before reclassification from foreign currency translation reserve				(10)		
Amounts reclassified from foreign currency translation reserve				1		
Net assets (acquired) disposed of	**(2,192)**		**(4,488)**	**39**	**7**	
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Trade and other receivables	(371)		(475)	12		
Current tax assets	(4)		(49)			
Assets held for sale	(10)					
Inventories	(359)		(557)	8		
Derivative assets	(9)					
Deferred tax assets	(12)		(38)			
Property, plant and equipment	(1,525)		(1,443)	23		
Intangible assets (excluding goodwill)	(2,462)		(2,719)			
Goodwill	(1,735)		(2,931)		7	
Other current and non-current assets	(25)		(60)			
Investment in associates and joint ventures	(1)			3		
Trade and other payables	717		425	(8)		
Current tax liabilities	43					
Loans and borrowings	2,852		1,485			
Deferred tax liabilities	628		877			

Provisions and employee benefits	225	1,071		
Net assets (acquired)/disposed of	**(2,192)**	**(4,516)**	**38**	**7**
Gain on acquisition		10		
Amounts reclassified from foreign currency translation reserve			1	
Non-controlling interests		18		
	(2,192)	**(4,488)**	**39**	**7**

Refer to note 33 for further details of acquisitions.

* The cash paid in 2009 was for the post-closing adjustments relating to the acquisition of CSI Guadalajara.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements
For the period ended December 31, 2011

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (the Company) is a company domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés .

The consolidated financial statements of Beverage Packaging Holdings (Luxembourg) I S.A. as of and for the period ended December 31, 2011 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of the Company is 6C, rue Gabriel Lippman, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors (the Directors) on April 5, 2012 in Chicago, Illinois (April 6, 2012 in Auckland, New Zealand).

2.2 Going concern

The financial statements have been prepared using the going concern assumption.

The statement of financial position as of December 31, 2011 presents negative equity of $453 million compared to negative equity of $9 million as of December 31, 2010. The movement is primarily attributable to the current period loss. The total equity was reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction to equity. As of December 31, 2011, the common control transactions had generated a cumulative reduction to equity of $1,561 million.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention except for:

- certain components of inventory which are measured at net realizable value;

- defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and
- certain assets and liabilities, such as derivatives, which are measured at fair value.

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2011.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

Information for the comparative periods is for the twelve month periods ended December 31, 2010 and December 31, 2009.

2.4 Presentation currency

These financial statements are presented in US dollars ($), which is the Group s presentation currency.

2.5 Use of estimates and judgements

The preparation of financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in note 4.

2.6 Comparative information

During the year, the Group made an adjustment to correct an understatement of the pension plan asset for one of the SIG segment s defined benefit pension plans. The understated pension plan asset existed from the date of acquisition of the SIG segment in May 2007. This adjustment reduced net income in the Corporate/Unallocated segment by $6 million for the period ended December 31, 2011, and reduced goodwill by $53 million, increased other non-current assets by $56 million and increased deferred income tax liabilities by $9 million as of December 31, 2011. This adjustment has no effect on the statement of cash flows and no effect on the Group s Adjusted EBITDA for the period ended December 31, 2011, or any previously reported period. Further, the plan asset understatement did not have a material impact on any current or previously reported financial statements.

As disclosed in note 32, indirect subsidiaries of the Company acquired the business operations of the Closures segment and the Reynolds consumer products business on November 5, 2009. On May 4, 2010, indirect subsidiaries of the Company acquired the business operations of Evergreen. On September 1, 2010 indirect subsidiaries of the Company acquired the business operations of the Reynolds foodservice packaging business. Prior to these transactions, these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 (revised) Business Combinations . In accordance with the Group s accounting policy for business combinations under common control, as outlined in note 3.1(d), the Group has compiled the comparative financial information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.7 Presentation of expenses by nature

Expenses in the statements of comprehensive income are presented by function. Supplemental disclosure of expenses by nature is presented in notes 9, 10, 11, 16, 18, 19, 22 and 34. The components of the Group s expenses not disclosed by nature in those notes primarily include energy consumption costs, freight costs, repairs and maintenance, other consultancy costs and professional fees, travel and entertainment, and

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

advertising costs. None of these other types of expenses have an individually significant impact on the Group s statements of comprehensive income for any period presented.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by all Group entities.

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. Control exists when the parent of the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control (or effective control) commences until the date that control ceases.

The Group has adopted IFRS 3 (revised) Business Combinations and IAS 27 Consolidated and Separate Financial Statements (2008) for each acquisition or business combination occurring on or after January 1, 2010. All business combinations occurring on or after January 1, 2010 are accounted for using the acquisition method, while those prior to this date are accounted for using the purchase method.

The acquisition method of accounting is used to account for the acquisition of third party subsidiaries and businesses by the Group for transactions completed on or after January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, including the fair value of any contingent consideration and share-based payment awards (as measured in accordance with IFRS 2 Share Based Payments) of the acquiree that are mandatorily replaced as a result of the transaction. Transaction costs that the Group incurs in connection with an acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are initially recognized at their proportionate share of the fair value of the net assets acquired.

During the measurement period an acquirer can report provisional information for a business combination if by the end of the reporting period in which the combination occurs the accounting is incomplete. The measurement period, however, ends at the earlier of when the acquirer has received all of the necessary information to determine the fair values or one year from the date of the acquisition.

The purchase method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group for transactions completed prior to January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interests. Final values for a business combination are determined within twelve months of the date of the acquisition.

Refer to note 33 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

The Group s share of its associates post-acquisition profits or losses and movements in other comprehensive income is recognized in the Group s statement of comprehensive income after adjustments (as required) are made to align the accounting policies of the associate with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a financial obligation or has made payments on behalf of the investee.

(c) Joint Ventures

Joint ventures are those operations, entities or assets in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Interests in jointly controlled entities are accounted for using the equity method of accounting (as described in note 3.1(b)).

Interests in jointly controlled assets and operations are reported in the financial statements by including the Group s share of assets employed in the joint venture, the share of liabilities incurred in relation to the joint venture and the share of any expenses incurred in relation to the joint venture in their respective classification categories. Movements in reserves of joint ventures attributable to the Group are recognized in other comprehensive income in the statement of comprehensive income.

(d) Transactions between entities under common control

Common control transactions arise between entities that are under the ultimate ownership of the common sole shareholder, Mr. Graeme Hart.

Certain transactions between entities that are under common control may not be transacted on an arm s length basis. Any gains or losses on these types of transactions are recognized directly in equity. Examples of such transactions include but are not limited to:

debt forgiveness transactions;

transfer of assets for greater than or less than fair value; and

acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

Acquisitions of entities under common control are accounted for as follows:

predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;

premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;

the financial statements incorporate the acquired entities results as if the acquirer and the acquiree had always been combined; and

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced (i.e. from the date the business was acquired by Mr. Graeme Hart) as though the entities had always been combined from the common control date forward.

(e) Transactions eliminated on consolidation

Intra-group balances and unrealized items of income and expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group s interest in the investee. Unrealized losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

(f) Transactions with non-controlling interests

The Group accounts for transactions with non-controlling interests as transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

3.2 Foreign currency

(a) Functional currency

Items included in the financial statements of each of the Group s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is the euro.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group s presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date of the statement of financial position;

(ii) income and expense items for each profit or loss item are translated at average exchange rates;

(iii) items of other comprehensive income are translated at average exchange rates; and

(iv) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognized as a component of equity and included in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive income as a component of the profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated on this basis.

3.3 Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, receivables, available-for-sale financial assets, trade and other payables and interest bearing borrowings.

A non-derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Non-derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists and the Group intends to either settle the instrument net or realize the asset and liability simultaneously.

Upon initial acquisition the Group classifies its financial instruments in one of the following categories, which is dependent on the purpose for which the financial instruments were acquired.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except if these are

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

(b) Financial instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on the instrument s fair value. Upon initial recognition (at the trade date) attributable transaction costs are recognized in the statement of comprehensive income as a component of the profit or loss. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the statement of comprehensive income as a component of the profit or loss.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for instruments with maturities greater than twelve months from the reporting date, which are classified as non-current assets. The Group s loans and receivables comprise trade and other receivables (including related party receivables) which are stated at their cost less impairment losses.

(d) Other liabilities

Other liabilities comprise all non-derivative financial liabilities that are not disclosed as liabilities at fair value through profit or loss. Other liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The Group s other liabilities comprise trade and other payables and interest bearing borrowings, including those with related parties. The Group s other liabilities are measured as follows:

(i) Trade and other payables

Subsequent to initial recognition trade and other payables are stated at amortized cost using the effective interest method.

(ii) Interest bearing borrowings including related party borrowings

On initial recognition, borrowings are measured at fair value less transaction costs that are directly attributable to borrowings. Subsequent to initial recognition interest bearing loans and borrowings are measured at amortized cost using the effective interest method.

3.4 Derivative financial instruments

A derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of an instrument at the trade date.

Derivative financial instruments are initially recognized at fair value (which includes consideration of credit risk where applicable), and transaction costs are expensed as incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognized in the statement of comprehensive income as a component of the profit or loss unless the derivative financial instruments qualify for hedge accounting. If a derivative financial instrument qualifies for

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

Derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists.

Derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the instrument expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

Derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

(a) Cash flow hedges

Changes in the fair value of a derivative financial instrument designated as a cash flow hedge are recognized directly in equity as a component of other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of comprehensive income as a component of the profit or loss for the period.

If a hedging instrument no longer meets the criteria for hedge accounting or it expires, is sold, terminated or exercised, then hedge accounting is discontinued prospectively. At this point in time, the cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In all other cases the amount recognized in equity is transferred within the statement of comprehensive income in the same period that the hedged item affects this statement and is recognized as part of financial income or expenses. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred within the statement of comprehensive income and is recognized as part of financial income or expenses in the profit or loss.

(b) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge are recognized in the statement of comprehensive income as a component of the profit or loss in financial income or expenses together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(c) Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the following conditions are met:

(i) the economic characteristics and risks of the host contract and the embedded derivative are not closely related;

(ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(iii) the combined instrument is not measured at fair value through profit or loss.

At the time of initial recognition of the embedded derivative an equal adjustment is also recognized against the host contract. The adjustment against the host contract is amortized over the remaining life of the host contract using the effective interest method.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Any embedded derivatives that are separated are measured at fair value with changes in fair value recognized through net financial expenses in the statement of comprehensive income as a component of the profit or loss.

3.5 Inventories

(a) Raw materials, work in progress and finished goods

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(b) Engineering and maintenance materials

Engineering and maintenance materials (representing either critical or long order components) are measured at the lower of cost and net realizable value. The cost of these inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is determined with reference to the cost of replacement of such items in the ordinary course of business compared to the current market prices.

3.6 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition (refer to note 3.1(a)). The cost of self- constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(b) Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use. Assets under construction are not depreciated but tested for impairment at least annually or when there is an indication of impairment.

(c) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its carrying value at the date of transfer.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalized until such time as the assets are substantially ready for their intended use. The interest rate used equates to the effective interest rate on debt where general borrowings are used or the relevant interest rate where specific borrowings are used to finance the construction.

(e) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of profit or loss on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

Buildings	20 to 50 years
Plant and equipment	3 to 25 years
Furniture and fittings	3 to 20 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the net carrying amount of the asset.

3.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (if any). Investment properties are depreciated on a straight-line basis over 30 to 40 years.

3.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) The Group as lessor finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group s net investment in the leases.

(b) The Group as lessee finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

for in accordance with the accounting policy described in note 3.3(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and business operations and is recognized at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognized.

If the Group s interest in the fair value of the acquiree s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree, the excess is recognized immediately in the statement of comprehensive income as a component of the profit or loss as a bargain purchase gain.

Goodwill is measured at cost less accumulated impairment losses (if any) and is tested at least annually for impairment. Goodwill is not amortized and is monitored for impairment testing at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. The allocation is made to the operations that are expected to benefit from the business combination in which the goodwill arose after the allocation of purchase consideration is finalized.

In respect of joint ventures and investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.

(b) Trademarks

Trademarks are measured at cost less accumulated amortization and impairment losses (if any) with the exception of the SIG Combibloc, Reynolds, Hefty, Pactiv Foodservice, Blue Ridge, Evergreen and Graham Packaging trade names which are recognized at cost less accumulated impairment losses (if any). These trade names are considered indefinite life assets as they represent the value accumulated in the brand, which is expected to continue indefinitely into the future. Trademarks are tested at least annually for impairment.

(c) Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers. These relationships are recognized at cost and amortized using the straight-line method over the estimated remaining useful lives of the relationships, which are based on customer attrition rates and projected cash flows.

(d) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Intangible assets arising from development activities are measured at cost less accumulated amortization and accumulated impairment losses (if any).

(e) Other intangible assets

Other intangible assets comprise permits, software, technology, patents and rights to supply. Other intangible assets that have finite useful lives are carried at cost less accumulated amortization and impairment losses (if any). Other intangible assets that have indefinite useful lives are carried at costs less impairment losses (if any).

(f) Subsequent expenditures

Subsequent expenditure in respect of intangible assets is capitalized only when the expenditure increases the future economic benefits embodied in the specific asset to which the expenditure relates and it can be reliably measured. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(g) Amortization

Amortization is recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life intangibles, from the date that the intangible assets are available for use.

The estimated useful lives for the material classes of intangible assets are as follows:

Software/technology	3 to 15 years
Patents	5 to 14 years
Rights to supply	up to a maximum of 6 years
Customer relationships	6 to 25 years
Trademarks	5 to 15 years

3.10 Impairment

The carrying amounts of the Group s assets are reviewed regularly and at least annually to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount of an asset, cash generating unit (CGU) or group of CGUs exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognized in the statement of comprehensive income as a component of the profit or loss.

(a) Impairment of loans and receivables

The recoverable amount of the Group s loans and receivables carried at amortized cost is calculated with reference to the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the date of initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments exposures. For trade receivables which are

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

The criteria that the Group uses to determine whether there is objective evidence of an impairment loss include:

significant financial difficulty of the issuer or obligor;

a breach of contract, such as default or delinquency in respect of interest or principal repayment; or

observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio.

(b) Non-financial assets

The carrying amounts of the Group s non-financial assets, including goodwill and indefinite life intangible assets, are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the statement of comprehensive income as a component of the profit or loss. Impairment losses recognized in respect of a segment are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In assessing the fair value less cost to sell, the forecasted future Adjusted EBITDA to be generated by the asset or segment being assessed is multiplied by a relevant market indexed multiple.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset s revised carrying amount will not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

3.11 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group s accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

inventories, financial assets, deferred tax assets, employee benefit plan assets, and investment property, which continue to be measured in accordance with the Group s accounting policies. Impairment losses on initial classification of an asset to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.12 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee s service in the current and prior periods. The Group s contributions are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The Group s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods. These benefits are then discounted to determine the present value of the Group s obligations and are then adjusted for the impact of any unrecognized past service costs. The Group s net obligation is then determined with reference to the fair value of the plan assets (if any). The discount rate used is the yield on bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method.

Past service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss, unless the changes to the plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortized on a straight-line basis over the vesting period.

Actuarial gains and losses are recognized in the statement of comprehensive income as component of profit or loss when the cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. These gains or losses are amortized on a straight-line basis over the expected remaining service lives of employees participating in the plan.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

In certain jurisdictions the Group sponsors a number of defined benefit medical plans for certain existing employees and retirees. Typically these plans are unfunded and define a level of medical care that the individual will receive.

The Group s net obligation is calculated separately for each plan by estimating the current and future use of these services by eligible employees, the current and expected future medical costs associated with such services which are discounted to determine their present value and any unrecognized past service costs. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method with the use of mortality tables published by government agencies.

Past-service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss unless changes to a plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past-service costs are amortized on a straight-line basis over the vesting period.

(d) Other long-term employee benefits

The Group s net obligation in respect of long-term employee benefits, other than pension plans and post-employment medical plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine the present value of the Group s obligation. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculation is performed by qualified actuaries using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of comprehensive income as a component of the profit or loss in the period in which they arise.

(e) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(f) Incentive compensation plans

The Group recognizes a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognizes a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees to fund such plans.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.13 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision for the passage of time is recognized as a component of financial expense in the statement of comprehensive income as a component of the profit or loss.

(a) Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(b) Business closure and rationalization

A provision for business closure and rationalization is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

3.14 Self-insured employee obligations

(a) Self-insured employee workers compensation

The Group is self-insured in respect of its workers compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group s historical claims) relating to these claims are included in trade and other payables.

3.15 Dividends

Dividends to the Group s shareholder are recognized as a liability in the Group s financial statements in the period in which the dividends are declared.

3.16 Share capital

Common stock and ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.17 Revenue

(a) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, volume rebates and other customer incentives. Revenue is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards of ownership vary depending on the individual terms of the contract of sale. This occurs either upon shipment of the goods or upon receipt of the goods and/or their installation at a customer location.

(b) Lease income

Payments received under finance leases are apportioned between finance income and the reduction of the outstanding receivable balance. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group s net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.18 Lease payments

Minimum lease payments made under finance leases are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges which are recognized in the statement of comprehensive income as a component of the profit or loss are allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for in the periods in which the payments are incurred.

Payments made under operating leases are recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the term of the lease, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognized as an expense in the period in which the payments are incurred. Presently, all payments under operating leases are recognized on a straight-line basis over the term of the lease in the statement of comprehensive income.

In the event that lease incentives are received to enter into an operating lease, such incentives are deferred and recognized as a liability. The aggregated benefits of the lease incentives are recognized as a reduction to the lease expenses on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.19 Financial income and expenses

Financial income comprises interest income, foreign currency gains, and gains on derivative financial instruments in respect of financing activities that are recognized in the statement of comprehensive income as a component of the profit or loss. Interest income is recognized as it accrues using the effective interest method.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Financial expenses comprise interest expense, foreign currency losses, impairment losses recognized on financial assets (except for trade receivables) and losses in respect of financing activities on derivative instruments that are recognized in the statement of comprehensive income as a component of the profit or loss. All borrowing costs not qualifying for capitalization are recognized in the statement of comprehensive income as a component of the profit or loss.

3.20 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income as a component of the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized with the associated items on a net basis.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized. Deferred income tax assets and liabilities in the same jurisdiction are off-set in the statement of financial position only to the extent that there is a legally enforceable right to off-set current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realized simultaneously.

3.21 Sales tax, value added tax and goods and services tax

All amounts (including cash flows) are shown exclusive of sales tax, value added tax (VAT) and goods and services tax (GST) to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax, VAT and GST.

3.22 Discontinued operations

A discontinued operation is a component of the Group s business that represents a separate major line of business or geographical area of operation that has been disposed of or is held for sale, or is a subsidiary or business acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.23 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2011

During 2011, certain interpretations and standards which had not previously been early adopted were mandatory for the Group. This included improvements to various IFRSs 2010 various standards (effective for financial reporting periods beginning on or after July 1, 2010 and January 1, 2011). The adoption of the revisions to existing standards did not have a material impact on the financial statements of the Group for the period ended December 31, 2011.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these consolidated financial statements:

IFRS 9 Financial Instruments is the replacement of IAS 39 Financial Instruments: Recognition and Measurement . IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The Group is currently evaluating the impact of IFRS 9 on its financial statements.

On May 12, 2011, the IASB released IFRS 10 Consolidated Financial Statements , IFRS 11 Joint Arrangements , IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement as part of its new suite of consolidation and related standards, replacing and amending a number of existing standards and pronouncements. Each of these standards is effective for annual reporting periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 10 introduces a new approach to determining which investments should be consolidated and supersedes the requirements of IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation Special Purpose Entities . Under the requirements of this new standard, the basis for consolidation is control regardless of the nature of the investee. The IASB has provided a series of indicators to determine control which requires judgment to be exercised in making the assessment of control. The new standard also introduces the concept of de facto control, provides greater guidance on the assessment of potential voting rights, while also requiring control to be assessed on a continuous basis where changes arise that do not merely result from a change in market conditions.

IFRS 11 overhauls the accounting for joint arrangements (previously known as joint ventures) and directly supersedes IAS 31 Interests in Joint Ventures while amending IAS 28 (2011) Investments in Associates and Joint Ventures . Under the requirements of the new standard, jointly controlled entities are either accounted for (without choice) using the equity or proportional consolidation method (depending if separation can be established legally or through another form), whereas joint ventures (previously referred to as jointly controlled operations and jointly controlled assets) must be accounted for using the proportional consolidation method.

IFRS 12 combines into a single standard the disclosure requirements for subsidiaries, associates and joint arrangements and unconsolidated structured entities. Under the expanded and new disclosure requirements, information is required to be provided to enable users to evaluate the nature of the risks associated with a reporting entity s interest in other entities and the effect those interests can have on the reporting entity s

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structured entities.

IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement.

On June 16, 2011, the IASB published an amendment to IAS 19 Employee Benefits, which removes certain options in respect of the accounting for defined benefit post-employment plans, while introducing certain other new measurement and disclosure requirements. Under the requirements of the amended standard, the IASB now requires the immediate recognition of all actuarial gains and losses as a component of other comprehensive income, effectively removing the ability to defer and leave unrecognized those amounts that were previously permitted under the corridor method. In connection with this amendment, the IASB has also provided additional guidance on the level of aggregated disclosure permitted when plans with differing criteria are presented on a consolidated basis, while also revising the basis under which finance costs are to be determined in connection with defined benefit plans. In addition to these changes, the new standard has also introduced further measures to distinguish between short and long-term employee benefits and additional guidance in terms of the recognition of termination benefits.

In addition, on June 16, 2011, the IASB also published an amendment to IAS 1 Presentation of Financial Statements . Under the requirements of the amended standard, the IASB requires an entity to present amounts recognized in other comprehensive income that the entity expects will be reclassified to the statement of comprehensive income in the future (even if contingent on future events) separately from those amounts that will never be reclassified. In addition, the amendment proposes a change in the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income but allows entities the ability to use other titles.

The requirements of the amended IAS 1 and IAS 19 must be applied to the financial year beginning on or after January 1, 2013, with early adoption permitted. The Group currently accounts for its defined benefit post-employment plans using the corridor method. The Group is currently evaluating the effects of the amendments to IAS 1 and IAS 19 on its financial statements.

On December 16, 2011, the IASB published amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities and IAS 32 Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities. The amendments are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. Additional disclosures are also required about right of offset and related arrangements.

The requirements of the amended IFRS 7 must be applied to the financial year beginning on or after January 1, 2013 and of amended IAS 32 must be applied to the financial year beginning on or after January 1, 2014. Both require retrospective application for the comparative period. The Group is currently evaluating the effects of the amendments to IFRS 7 and IAS 32 on its financial statements.

4. Critical accounting estimates and assumptions

In the process of applying the Group s accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill is impaired requires estimation of the recoverable values of a segment, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. Determining whether indefinite life intangible assets are impaired requires estimation of the recoverable values of the segment or lower level group of CGUs to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgment is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 22.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group s intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

4.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Group s provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.3 Realization of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs from management s estimate of future taxable income, the value of recognized deferred tax assets may be affected. Deferred tax assets have been recognized to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realized in the same jurisdiction and reporting period. Deferred tax assets have also been recognized based on management s best estimate of the recoverability of these assets against future taxable income.

4.4 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than twelve months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of December 31, 2011, the valuation of the assets acquired and liabilities assumed as a result of the Graham Packaging acquisition have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

4.5 Measurement of obligations under defined benefit plans

The Group operates a number of defined benefit pension plans. Amounts recognized under these plans are determined using actuarial methods. These actuarial valuations involve assumptions regarding long-term rates of return on pension fund assets, expected salary increases and the age of employees. These assumptions are reviewed at least annually and reflect estimates as of the measurement date.

Any change in these assumptions will impact the amounts reported in the statements of financial position, plus net pension expense or income that may be recognized in future years.

5. Determination of fair values

A number of the Group s accounting policies and associated disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.1 Property, plant and equipment

The fair values of items of property, plant and equipment recognized as a result of a business combination are based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm s length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items where available or based on the assessment of appropriately qualified independent valuers.

5.2 Intangible assets

The fair values of patents and trademarks acquired in a business combination are based on the discounted estimated royalty payments that have been avoided as a result of owning the patent or trademark. The fair values of other identifiable intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5.3 Investment property

The fair values of investment property are based on active market prices adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed internally and by external valuers.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.4 Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

5.5 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Given the short-term nature of trade receivables the carrying amount is a reasonable approximation of fair value.

5.6 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of commodity and other price derivatives is based on a valuation model. The valuation model (which includes when relevant the consideration of credit risk) discounts the estimated future cash flows based on the terms and maturity of each contract using forward curves and market interest rates at the reporting date.

5.7 Non-derivatives financial liabilities

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

5.8 Pension and post-employment medical benefits

The valuation of the Group s defined benefit pension and post-employment medical plans is outlined in note 3.12(a)(ii).

5.9 Fair value of borrowings acquired

The fair value of borrowings acquired in business combinations is determined using quoted market prices or agreed redemption values at the date of acquisition.

6. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and to assess its performance.

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s operating and reportable business segments under IFRS 8 are as follows:

SIG Combibloc SIG Combibloc is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. SIG supplies

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

Reynolds Consumer Products Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. Prior to the Pactiv acquisition (refer to note 33), the Reynolds Consumer Products segment consisted solely of the Group s Reynolds consumer products business.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv acquisition (refer to note 33), the Pactiv Foodservice segment consisted solely of the Group s Reynolds foodservice packaging business. Dopaco, which was acquired in May 2011, is being integrated with the Pactiv Foodservice segment.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 33).

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group s accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenue and expenses, financial income and expenses, and income tax benefit and expense.

The CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, non-cash pension income, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm s length basis.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

Business segment reporting

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Total external revenue	2,036	1,557	1,317	2,503	3,409	967		11,789
Total inter-segment revenue		46	12	56	39		(153)	
Total segment revenue	**2,036**	**1,603**	**1,329**	**2,559**	**3,448**	**967**	**(153)**	**11,789**
Gross profit	439	224	207	611	524	62	(3)	2,064
Expenses and other income	(234)	(69)	(97)	(258)	(402)	(86)	(8)	(1,154)
Share of profit of associates and joint ventures	15	2						17
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**
Financial income								6
Financial expenses								(1,409)
Loss before income tax								**(476)**
Income tax benefit								56
Loss after income tax								**(420)**
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**
Depreciation and amortization	260	60	81	150	292	129		972
	480	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**

Earnings before interest, tax, depreciation and amortization (EBITDA)

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions between segments.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2011							
				Reynolds				
	SIG Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**
Included in EBITDA:								
Asset impairment charges	4		1		7			12
Business acquisition and integration costs				5	45	9	26	85
Business interruption costs (recoveries)	2		1	(1)				2
Change of control payments						12		12
Equity method profit not distributed in cash	(8)	(2)						(10)
Gain on modification of plan benefits							(25)	(25)
Gain on sale of businesses			(5)					(5)
Impact of purchase price accounting on inventory and leases					5	27		32
Non-cash inventory charge				1	2			3
Non-cash pension expense (income)				3	4		(49)	(42)
Operational process engineering-related consultancy costs				17	21		4	42
Restructuring costs	2		5	11	48	3	19	88
SEC registration costs							6	6
Unrealized loss on derivatives	2	2	2	17	3			26

VAT and custom duties on historical imports	1							1
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**483**	**217**	**195**	**556**	**549**	**156**	**(30)**	**2,126**
Segment assets	**3,218**	**1,373**	**1,759**	**4,882**	**5,826**	**4,305**	**249**	**21,612**
Included in segment assets are:								
Additions to property, plant and equipment	185	62	63	33	105	63		511
Additions to intangible assets	8		3	1		5	1	18
Additions to investment properties	4							4
Investments in associates and joint ventures	104	14				1		119
Segment liabilities	**2,031**	**412**	**804**	**1,396**	**861**	**3,931**	**12,630**	**22,065**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition (refer to notes 22 and 33) that has not yet been allocated to the operating segments.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
			Reynolds				
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Total external revenue	1,846	1,580	1,167	1,334	847		6,774
Total inter-segment revenue		3	7	44	77	(131)	
Total segment revenue	**1,846**	**1,583**	**1,174**	**1,378**	**924**	**(131)**	**6,774**
Gross profit	464	209	185	327	65		1,250
Expenses and other income	(213)	(67)	(89)	(113)	(106)	(9)	(597)
Share of profit of associates and joint ventures	16	2					18
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Financial income							41
Financial expenses							(750)
Loss before income tax							**(38)**
Income tax expense							(72)
Loss after income tax							**(110)**
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Depreciation and amortization	243	62	79	62	58		504
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

**

Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
				Reynolds			
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation				(2)			(2)
Asset impairment charges (reversals)	(1)				29		28
Black Liquor Credit		(10)					(10)
Business acquisition costs		1	1			10	12
Business interruption costs			2				2
CSI Americas gain on acquisition			(10)				(10)
Equity method profit not distributed in cash	(11)	(3)					(14)
Gain on sale of businesses and investment properties	(6)	(2)			(8)		(16)
Impact of purchase price accounting on inventories				25	38		63
Operational process engineering-related consultancy costs		2		6			8
Pension income						(5)	(5)
Related party management fees		1					1
Restructuring costs (recoveries)	11		3	(4)	(1)		9
Termination of supply agreement					7		7
Unrealized (gain) loss on derivatives		1	(1)	(2)	(1)		(3)
VAT and custom duties on historical imports	10						10

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**513**	**196**	**170**	**299**	**81**	**(4)**	**1,255**
Segment assets	**3,439**	**1,257**	**1,739**	**1,763**	**405**	**7,101**	**15,704**
Included in segment assets are:							
Additions to property, plant and equipment	151	47	82	13	10	12	315
Additions to intangible assets	13			5			18
Additions to investment properties	4						4
Investments in associates and joint ventures	97	13					110
Segment liabilities	**2,073**	**392**	**1,167**	**1,161**	**197**	**10,723**	**15,713**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment and acquisition-related assets not allocated to specific segments. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Total external revenue	1,668	1,429	977	1,151	685		5,910
Total inter-segment revenue			3	39	54	(96)	
Total segment revenue	**1,668**	**1,429**	**980**	**1,190**	**739**	**(96)**	**5,910**
Gross profit	410	376	161	222	47	3	1,219
Expenses and other income	(229)	(85)	(79)	(31)	(45)	(3)	(472)
Share of profit of associates and joint ventures	9	2					11
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Financial income							13
Financial expenses							(499)
Profit before income tax							**272**
Income tax expense							(148)
Profit after income tax							**124**
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Depreciation and amortization	250	64	73	63	52		502
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**
Included in EBITDA:							
Asset impairment charges	6	6			1		13
Black Liquor Credit		(214)					(214)
Business acquisition costs		1					1
Elimination of the effect of the historical Reynolds Consumer hedging policy				91	4		95
Equity method profit not distributed in cash	(8)	(2)					(10)
Inventory write-off arising on restructure					5		5
Korean insurance claim		(2)					(2)
Loss on sale of Baco assets				1			1
Manufacturing plant flood impact				5			5
Operational process engineering-related consultancy costs		13					13
Plant realignment costs				2			2
Related party management fees		3					3
Restructuring costs	38	3	3	5	9		58
Transition costs				24			24
Unrealized gain on derivatives	(4)		(10)	(102)	(13)		(129)
VAT and custom duties on historical imports	3						3
Write down of assets held for sale		1					1
Write off of receivables related to sale of Venezuela operations		1					1
	475	**167**	**148**	**280**	**60**		**1,130**

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)							
Segment assets	**4,025**	**1,316**	**1,432**	**1,670**	**512**	**(1,420)**	**7,535**
Included in segment assets are:							
Additions to property, plant and equipment	77	61	69	31	4		242
Additions to intangible assets	21	2		22	3		48
Additions to investment properties	2						2
Investments in associates and joint ventures	90	10			4		104
Segment liabilities	**1,255**	**1,034**	**970**	**1,158**	**267**	**1,992**	**6,676**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Information about geographic area

The Group s revenue from external customers and information about its segment assets (total non-current assets excluding financial instruments, non-current receivables, deferred tax assets and post-employment benefit assets) by geographical origin are detailed below. In presenting information on a geographical basis, revenue and assets have been based in the location of the business operations:

	USA	**Remaining North American Region**	**Europe**	**Asia**	**South America**	**Other**	**Total**
			(In $ million)				
Total external revenue							
For the period ended December 31, 2011	7,990	628	1,742	941	375	113	11,789
For the period ended December 31, 2010	3,829	299	1,498	759	292	97	6,774
For the period ended December 31, 2009	3,279	230	1,483	656	249	13	5,910
Non-current assets							
As of December 31, 2011	14,049	405	1,637	912	225	58	17,286
As of December 31, 2010	9,073	369	1,769	855	122	60	12,248

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

There was no revenue from external customers in Luxembourg, where BP I and BP II are domiciled, for the period ended December 31, 2011 (2010: none; 2009: none). There were no total non-current assets in Luxembourg as of December 31, 2011 (December 31, 2010: none).

Information about major customers

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group s revenue.

Information about major product lines

Supplemental information on net sales by major product line is set forth below:

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Foodservice packaging	3,448	924	739
Aseptic carton packaging	2,036	1,846	1,668
Caps and closures	1,329	1,174	980
Waste and storage products	992	509	433
Cooking products	822	768	757
Tablewares	745	101	
Cartons	775	755	757
Beverage containers	646		
Liquid packaging board	441	416	336
Paper products	387	412	336
Household product containers	175		
Other product containers	146		
Inter-segment eliminations	(153)	(131)	(96)
Total Revenue	**11,789**	**6,774**	**5,910**

7. Revenue

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		

Sale of goods	11,699	6,692	5,845
Services	90	82	65
Total Revenue	**11,789**	**6,774**	**5,910**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

8. Other income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Adjustment related to settlement of a lease obligation		2	
CSI Americas gain on acquisition		10	
Gain on sale of businesses	5		
Gain on sale of investment properties		16	
Gain on sale of non-current assets		5	4
Income from facility management	12	11	15
Income from miscellaneous services	6	8	11
Insurance claims	6		4
Landfill tipping fees received	5		
Rental income from investment properties	6	6	5
Royalty income	4	2	2
Sale of by-products	29	25	18
Unrealized gains on derivatives		4	129
Other	14	13	13
Total other income	**87**	**102**	**201**

9. General and administration expenses

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Research and development expenses	(145)	(107)	(99)
Auditors remunerations to PricewaterhouseCoopers, comprising:			
Audit fees	(12)	(11)	(7)
Other audit related fees(a)	(7)	(5)	(5)
Tax fees(b)	(1)	(1)	(12)

(a) Other audit related fees include services for the audit or review of financial information other than year end or interim financial statements (including audits of carve out financial statements for debt refinancing and covenant reporting under bank facilities).

(b) In 2009, $12 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits. These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

10. Other expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Asset impairment charges		(12)	(29)	(13)
Business acquisition costs		(38)	(13)	
Business integration costs		(43)		
Net foreign currency exchange loss		(7)	(3)	(3)
Operational process engineering-related consultancy costs		(42)	(7)	(13)
Related party management fees	30		(1)	(3)
Restructuring costs		(88)	(9)	(58)
SEC registration costs		(6)		
Unrealized losses on derivatives		(26)		
VAT and custom duties on historical imports		(1)	(11)	(3)
Other		(5)	(7)	(3)
Total other expenses		**(268)**	**(80)**	**(96)**

11. Personnel expenses

Personnel expenses recognized in the statements of comprehensive income were $1,965 million for the period ended December 31, 2011 (2010: $1,229 million; 2009: $1,167 million). Personnel expenses include salaries, wages, employee related taxes, short-term employee benefits, pension benefits, post-employment medical benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 26.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

12. Financial income and expenses

	Note	2011	2010	2009
		For the period ended December 31, (In $ million)		
Interest income		6	5	6
Interest income on related party loans			3	5
Net change in fair value of derivatives			33	2
Financial income		**6**	**41**	**13**
Interest expense:				
August 2011 Credit Agreement		(168)		
2009 Credit Agreement		(29)	(135)	(13)
August 2011 Notes		(85)		
February 2011 Notes		(139)		
October 2010 Notes		(243)	(50)	
May 2010 Notes		(88)	(56)	
2009 Notes		(147)	(134)	(20)
Related Party Notes		(109)	(104)	(110)
Pactiv 2012 Notes		(15)	(2)	
Pactiv 2017 Notes		(24)	(3)	
Pactiv 2018 Notes		(1)		
Pactiv 2025 Notes		(22)	(3)	
Pactiv 2027 Notes		(17)	(2)	
Graham Packaging 2014 Notes		(12)		
Graham Packaging 2017 Notes		(3)		
Graham Packaging 2018 Notes		(3)		
2008 Reynolds Senior Credit Facilities				(66)
2007 SIG Senior Credit Facilities				(47)
CHH Facility			(8)	(22)
Blue Ridge Facility				(2)
Related party borrowings	30	(1)		(15)
Amortization of:				
Debt issue costs:				
2011 Credit Agreement		(4)		
2009 Credit Agreement(a)		(86)	(10)	(1)
August 2011 Notes		(2)		
February 2011 Notes		(2)		
October 2010 Notes		(10)	(2)	
May 2010 Notes		(3)	(2)	
2009 Notes		(8)	(9)	(1)

Related Party Notes	(4)	(4)	(4)
2008 Reynolds Senior Credit Facilities			(19)
2007 SIG Senior Credit Facilities			(3)
CHH Facility			(1)
Debt commitment letter fees(b)(c)	(68)	(98)	
Credit Agreement amendment fees	(11)	(12)	
Fair value adjustment of acquired notes	14	1	
Original issue discounts(a)	(42)	(6)	(1)
Embedded derivatives	11	3	
Graham Packaging Notes tender offer fees	(5)		
Unamortized debt issue costs written off			(36)
Net change in fair values of derivatives	(9)		
Net foreign currency exchange loss	(55)	(101)	(130)
Other	(19)	(13)	(8)
Financial expenses	**(1,409)**	**(750)**	**(499)**
Net financial expenses	**(1,403)**	**(709)**	**(486)**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes as well as proceeds from the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance costs of $86 million and unamortized original issuance discount of $38 million related to the 2009 Credit Agreement were expensed during the period ended December 31, 2011.

(b) A debt commitment letter to fund the Graham Packaging Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $68 million of fees. The proceeds from the issuance of the August 2011 Notes and drawings under the August 2011 Credit Agreement were used to finance the Graham Packaging Acquisition (refer to note 33). As the commitments under the debt commitment letter were not utilized, the Group expensed $68 million of the fees during the period ended December 31, 2011.

(c) A debt commitment letter to fund the Pactiv Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $98 million of fees. The proceeds from the issuance of the October 2010 Notes and the additional borrowings under the 2009 Credit Agreement were used to finance the Pactiv acquisition. As the commitments under the debt commitment letter were not utilized, the Group expensed $98 million of fees during the period ended December 31, 2010.

Refer to note 25 for information on the Group s borrowings.

13. Income tax

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Current tax expense			
Current period	(149)	(117)	(115)
Adjustment for prior periods			(2)
	(149)	**(117)**	**(117)**
Deferred tax benefit (expense)			
Origination and reversal of temporary differences	186	39	(40)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	12
Adjustments for prior periods	(7)		1
	205	**45**	**(31)**

Income tax benefit (expense)	**56**	**(72)**	**(148)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

13. Income tax (continued)

13.1 Reconciliation of effective tax rate

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(476)**	**(38)**	**272**
Income tax using the New Zealand tax rate of 28% (2010 and 2009: 30)%	133	11	(82)
Effect of tax rates in foreign jurisdictions	47	(8)	29
Effect of tax rates in state and local tax	(1)	(5)	(13)
Non-deductible expenses and permanent differences	(95)	(32)	(4)
Tax exempt income and income at a reduced tax rate	9	10	6
Withholding tax	(28)	(10)	(3)
Controlled foreign corporation tax	2	(11)	(17)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	21
Unrecognized tax losses and temporary differences	(48)	(61)	(82)
Tax uncertainties	8		
Cellulosic biofuel credits		29	
Credits	4	2	
Other	2	(3)	2
Over (under) provided in prior periods	(3)		(1)
Total current period income tax (expense) benefit	**56**	**(72)**	**(148)**

14. Other comprehensive income

	For the period ended December 31,					
	2011		2010		2009	
	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect
	(In $ million)					
Exchange difference on translating foreign operations	(22)		277		71	
Cash flow hedges					19	(7)
Total other comprehensive income	**(22)**		**277**		**90**	**(7)**

During the period ended December 31, 2010, the Group transferred $49 million of the exchange difference on translating foreign operations, which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2009, the Group transferred $12 million of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

15. Cash and cash equivalents

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Cash at bank and on hand	445	591
Short-term deposits	152	72
Total cash and cash equivalents	**597**	**663**

16. Trade and other receivables

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Trade receivables	1,344	977
Provisions for doubtful debts	(25)	(22)
	1,319	**955**
Related party receivables (refer to note 30)	31	36
Other receivables	151	154
Total current trade and other receivables	**1,501**	**1,145**
Total non-current receivables	**50**	**47**

16.1 Movement in provision for doubtful debts

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Balance at the beginning of the period	(22)	(22)
Doubtful debts charges recognized	(10)	(8)
Doubtful debts provision applied against trade receivable balance	1	6
Reversal of doubtful debts charges previously recognized	6	2

Balance at the end of the period	**(25)**	**(22)**

The doubtful debts charge recognized of $10 million for the period ended December 31, 2011 (2010: $8 million; 2009: $4 million) relates to increases required as a result of management s review of the trade receivable balances.

16.2 Balances net of provision for doubtful debts

	As of December 31,	
	2011	**2010**
	(In $ million)	
Current	1,211	842
Past due 0 to 30 days	81	91
Past due 31 days to 60 days	9	6
Past due 61 days to 90 days	5	2
More than 91 days	13	14
Balance at the end of the period	**1,319**	**955**

F-241

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

16. Trade and other receivables (continued)

The individual operating divisions within the Group have reviewed their respective past due trade receivable balances on either an individual or collective basis in conjunction with their current level of credit insurance, where applicable. Based on past experience, the Group believes that no further allowance for doubtful debts other than that recognized is necessary.

17. Assets and liabilities held for sale

	As of December 31,	
	2011	**2010**
	(In $ million)	
Assets		
Trade receivables	10	
Inventories	15	
Property, plant and equipment	44	18
Pension asset	1	
Total net assets held for sale	**70**	**18**
Liabilities		
Trade and other payables	14	
Other liabilities	6	
Liabilities directly associated with assets held for sale	**20**	
Net assets held for sale	**50**	**18**

During the period ended December 31, 2011, the Group decided to sell the Pactiv Foodservice laminating operations in Louisville, Kentucky and certain property, plant and equipment. The sale was completed on January 2012 (refer to note 37).

During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility and recorded an impairment charge of $7 million on the Richmond facility.

Efforts to dispose of the remaining net assets held for sale are currently progressing and are expected to be completed in the next twelve month period.

18. Inventories

	As of December 31,	
	2011	2010
	(In $ million)	
Raw materials and consumables	556	379
Work in progress	229	167
Finished goods	898	646
Engineering and maintenance materials	159	146
Provision against inventory	(69)	(57)
Total inventory	**1,773**	**1,281**

During the period ended December 31, 2011, the raw materials elements of inventory recognized as a component of cost of sales totaled $5,750 million (2010: $3,053 million; 2009: $2,684 million). In addition,

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

18. Inventories (continued)

purchase price adjustments to inventory charged to cost of sales totaled $33 million for the period ended December 31, 2011 (2010: $64 million; 2009: none).

During the period ended December 31, 2011, there were no material write-downs of inventories to net realizable value (2010: $3 million; 2009: $10 million). There were no material reversals of write-downs during 2011 (2010: $2 million; 2009; none). The inventory write-downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment) had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10 million in its cost of sales, being the claim value net of applicable expenses. The Group recognized no such credits in the period ended December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

19. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress (In $ million)	Leased assets lessor	Financed leased assets	Total
As of December 31, 2011							
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
As of December 31, 2010							
Cost	218	776	2,668	201	268	28	4,159
Accumulated depreciation		(83)	(686)		(114)	(2)	(885)
Accumulated impairment losses		(3)	(5)				(8)
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**
Carrying amount as of January 1, 2011	218	690	1,977	201	154	26	3,266
Acquisitions through business combinations (refer to note 33)	44	232	1,164	85			1,525
Additions		6	38	416	51		511
Capitalization of borrowing costs			2	2			4
Disposals	(1)	(9)	(6)		(2)		(18)
Depreciation for the period		(94)	(501)		(54)	(1)	(650)
Impairment losses	(2)	(5)	(1)				(8)
Transfers to intangible assets				(2)			(2)
Transfers to assets held for sale	(10)	(8)	(3)				(21)
Other transfers	(10)	39	303	(369)	33		(4)
Effect of movements in exchange rates	(2)	(10)	(48)	(3)	(4)	(1)	(68)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
Carrying amount as of January 1, 2010	124	399	1,109	80	110	3	1,825

Acquisitions through business combinations (refer to note 33)	83	328	944	64		24	1,443
Additions	10	1	47	223	71		352
Capitalization of borrowing costs				1			1
Disposals	(2)	(6)	(19)		(3)		(30)
Depreciation for the period		(30)	(240)		(46)	(1)	(317)
Impairment losses		(3)	(5)				(8)
Transfers to assets held for sale		12	(13)				(1)
Transfers to intangibles			(3)				(3)
Other transfers		(3)	154	(168)	17		
Effect of movements in exchange rates	3	(8)	3	1	5		4
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**

The depreciation charge of $650 million for the period ended December 31, 2011 (2010: $317 million; 2009: $331 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $625 million; 2010: $302 million; 2009: $318 million), selling, marketing and distribution expenses (2011: $4 million; 2010: $3 million; 2009: $4 million) and general and administration expenses (2011: $21 million; 2010: $12 million; 2009: $9 million).

During the period ended December 31, 2011, the Group incurred an impairment loss of $9 million (2010: $8 million; 2009: $5 million) related to closures of certain facilities. There were no reversals of impairment charges during the period ended December 31, 2011 (2010: none; 2009: none). The recognition and reversal of impairment charges is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 34 for details of the leased assets lessor category of property, plant and equipment. Refer to note 25 for details of security granted over property, plant and equipment and other assets.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

20. Investment properties

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Cost	44	81
Accumulated depreciation	(9)	(7)
Accumulated impairment losses	(6)	(6)
Balance at the end of the period	**29**	**68**
Balance at the beginning of the period	68	76
Additions	4	4
Disposals	(43)	(16)
Depreciation	(1)	(2)
Transfer from property, plant and equipment	4	
Impairment (losses) reversals	(4)	1
Effect of movements in exchange rates	1	5
Balance at the end of the period	**29**	**68**
Fair value of investment properties	**29**	**68**

Investment properties (mainly industrial real estate), held by the Group s SIG and Closures segments, are leased to third parties. The method for determining the fair value of investment properties is described in note 5.3.

No contingent rents are charged.

The Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2011 totaled $3 million (2010: $3 million; 2009: $3 million).

There were no direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2011 (2010: none; 2009: none).

21. Current and deferred tax assets and liabilities

The current tax asset of $39 million (2010: $109 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authorities. The current tax liability of $160 million (2010: $142 million) represents the amount of income taxes payable in respect of current and prior periods.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

21.1 Unrecognized deferred tax assets

	As of December 31, 2011	2010
	(In $ million)	
Deductible/(taxable) temporary differences	31	20
Tax losses	231	284
Total unrecognized deferred tax assets	**262**	**304**

The tax losses of the Group expire over different time intervals depending on local jurisdiction requirements. Certain deductible temporary differences do not expire under current tax legislation in the jurisdiction where the differences arose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefit.

21.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of the Group s overseas companies when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2011, the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $12 million.

21.3 Movement in recognized deferred tax assets and liabilities

	Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Interest	Tax credits	Unrecognized temporary differences	Unrealized foreign currency exchange	Other items	Net deferr tax asset (liabilit
							(In $ million)							
ance at the inning of	2	(2)	(194)	(6)	(295)	51	27	104			(13)	7	6	(3

period														
ognized in profit or	(3)	27	(20)	6	56	7	(20)	(9)	9	16	(7)	(8)	(9)	4
quired in ness binations	(3)	(16)	(308)		(996)	311	27	42		18			86	(8
er luding ign hange and posals)	1		2											
ance as of ember 31, 0	**(3)**	**9**	**(520)**		**(1,235)**	**369**	**34**	**137**	**9**	**34**	**(20)**	**(1)**	**83**	**(1,1(**
ognized in profit or	8	(5)	64		62	(10)	(11)	(71)	161	15	(3)	1	(6)	2(
quired in ness binations		(2)	(165)		(925)	23	5	372		11	(9)		74	(6
er luding ign hange and posals)		(1)	1		9	(9)	(1)	1			1		2	
ance as of ember 31, 1	**5**	**1**	**(620)**		**(2,089)**	**373**	**27**	**439**	**170**	**60**	**(31)**		**153**	**(1,5**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

	As of December 31, 2011	2010
	(In $ million)	
Included in the statement of financial position as:		
Deferred tax assets non-current	27	23
Deferred tax liabilities non-current	(1,539)	(1,127)
Total recognized net deferred tax liabilities	**(1,512)**	**(1,104)**

21.4 Movement in unrecognized deferred taxes

	Tax Losses	Taxable Temporary Differences	Deductible Temporary Differences	Total Unrecognized Deferred Tax Asset
		(In $ million)		
Balance at the beginning of the period	230	1	13	244
Additions and reversals	56	(2)	7	61
Recognition	(6)			(6)
Acquired in business combinations	20			20
Other (including foreign exchange and disposals)	(16)	1		(15)
Balance as of December 31, 2010	**284**		**20**	**304**
Additions and reversals	44		4	48
Recognition	(17)	(1)		(18)
Acquired in business combinations	20		9	29
Other (including foreign exchange and disposals)	(100)	(5)	4	(101)
Balance as of December 31, 2011	**231**	**(6)**	**37**	**262**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total
			(In $ million)			
As of December 31, 2011						
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
As of December 31, 2010						
Cost	4,630	1,803	2,147	535	288	9,403
Accumulated amortization		(12)	(280)	(219)	(129)	(640)
Accumulated impairment losses					(15)	(15)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**
Carrying amount as of January 1, 2011	4,630	1,791	1,867	316	144	8,748
Acquisitions through business combinations (refer to note 33)	1,735	256	1,651	547	8	4,197
Additions			5	8	5	18
Amortization for the period		(6)	(153)	(106)	(56)	(321)
Transfers from property, plant and equipment				2		2
Other transfers		(6)	(24)		30	
Other (refer to note 2.6)	(53)					(53)
Effect of movements in exchange rates	(26)	(1)	(35)	1	1	(60)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
Carrying amount as of January 1, 2010	1,730	654	635	184	76	3,279
Acquisitions through business combinations (refer to note 33)	2,931	1,114	1,323	189	93	5,650
Other additions			3	9	7	19
Amortization for the period		(5)	(88)	(59)	(33)	(185)
Impairment losses					(15)	(15)
Disposals				(1)		(1)
				3		3

Transfers from property, plant and equipment						
Other transfers				(15)	15	
Effect of movements in exchange rates	(31)	28	(6)	6	1	(2)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

The amortization charge of $321 million for the period ended December 31, 2011 (2010: $185 million; 2009: $169 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $97 million; 2010: $83 million; 2009: $84 million) and general and administration expenses (2011: $224 million; 2010: $102 million; 2009: $85 million).

Refer to note 25 for details of security granted over the Group s intangible assets.

22.1 Impairment testing for indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangibles with indefinite useful lives and therefore are not subject to amortization. Instead, they are tested for impairment at least annually as well as whenever there is an indication that they may be impaired.

For the purposes of goodwill impairment testing, goodwill is tested at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets (continued)

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at the segment or lower level group of CGUs that supports the indefinite life intangible assets.

The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each segment are as follows:

	As of December 31,					
	2011			2010		
	Goodwill	Trademarks	Other	Goodwill	Trademarks	Other
	(In $ million)					
SIG Combibloc	807	297		881	298	
Evergreen	41	34		41	34	
Pactiv Foodservice	1,650	526	71			
Reynolds Consumer Products	1,845	850		394	301	
Closures	377			386		
Graham Packaging		250				
Unallocated	1,566			2,928	1,075	78
Total	**6,286**	**1,957**	**71**	**4,630**	**1,708**	**78**

As of the date of these financial statements, provisional goodwill and indefinite life intangible assets of $1,566 million and $250 million, respectively, acquired as a result of the Graham Packaging Acquisition are in the process of being reviewed (refer to note 33). This process will be completed prior to September 8, 2012. Integration of the Graham Packaging business within the Group is expected to result in synergies within other segments of the Group. Therefore, part of the goodwill from the Graham Packaging Acquisition could be allocated to other segments within the Group. As this process has not yet been finalized, the provisional goodwill related to the Graham Packaging Acquisition is disclosed in the table above as unallocated as of December 31, 2011.

The impairment testing for allocated goodwill and indefinite life identifiable intangible assets was performed by comparing the estimated fair value less cost to sell to the segment s or group of CGUs carrying value of net assets, as applicable.

The estimated fair value has been determined using forecasted 2012 Adjusted EBITDA expected to be generated by the relevant segment or group of CGUs multiplied by an earnings capitalization rate (earnings multiple). The values assigned to key assumptions represent management s assessment of future trends in the segment s industry and are based on both external and internal sources. The forecasted 2012 Adjusted EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. The Forecast 2012 Adjusted EBITDA is subject to review by the Group s CODM. Earnings multiples reflect recent sale and purchase transactions and comparable company EBITDA trading multiples in the same industry. The earnings multiples applied for December 31, 2011 ranged between 7.5x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment or group of CGUs.

As of December 31, 2011, there was no impairment in respect of any allocated goodwill or indefinite life identifiable intangible assets (2010: none; 2009: none). If the forecasted 2012 Adjusted EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as of December 31, 2011, no impairment would need to be recognized.

The Group did not perform a formal impairment test with respect to the indefinite life identifiable intangible assets and unallocated goodwill arising from the Graham Packaging Acquisition due to the

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets (continued)

proximity of the acquisition date to the statement of financial position date. However, the Group has performed procedures to determine whether there were triggering events that would indicate the unallocated goodwill and indefinite life identifiable intangible assets were impaired. In undertaking these procedures, the Group considered whether qualitative and quantitative factors indicated that an impairment triggering event had occurred. These factors included consideration of the forecasted 2012 Graham Packaging operation s EBITDA, expected future cost savings and general economic conditions compared to similar factors assessed as part of the Graham Packaging Acquisition. The assessments concluded that no impairment triggers existed and, as a result, no impairment existed with respect to the unallocated goodwill and indefinite life identifiable intangible assets as of December 31, 2011.

23. Investments in associates and joint venture equity accounted

Summary of financial information not adjusted for the percentage ownership held by the Group for associates and joint venture (equity method):

	Country of incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Prof afte tax
					(In $ million)							
11												
G mbibloc eikan mpany nited	Kingdom of Saudi Arabia	50.0%	December 31	69	32	101	(42)	(10)	(52)	114	(98)	1
G mbibloc eikan CO	United Arab Emirates	50.0%	December 31	82	27	109	(60)	(2)	(62)	176	(161)	1
cart ergreen ckaging l Ducart)	Israel	50.0%	December 31	12	2	14	(5)	(1)	(6)	21	(19)	
nawi ergreen ckaging	Kingdom of Saudi Arabia	50.0%	December 31	5	7	12	(3)		(3)	12	(10)	

mpany nited Banawi)												
lipse osures, C	USA	49.0%	December 31				(1)		(1)		(1)	(
aham ow Pack vate nited GBPPL)	India	22.0%	September 30	3	5	8	(2)	(3)	(5)			
				171	**73**	**244**	**(113)**	**(16)**	**(129)**	**323**	**(289)**	**3**
10												
G mbibloc eikan mpany nited	Kingdom of Saudi Arabia	50.0%	December 31	65	30	95	(51)	(10)	(61)	90	(74)	1
G mbibloc eikan CO	United Arab Emirates	50.0%	December 31	76	38	114	(64)	(4)	(68)	161	(145)	1
cart ergreen ckaging d Ducart)	Israel	50.0%	December 31	13	2	15	(5)	(1)	(6)	19	(17)	
nawi ergreen ckaging mpany nited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	6	6	12	(3)		(3)	13	(11)	
				160	**76**	**236**	**(123)**	**(15)**	**(138)**	**283**	**(247)**	**3**

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2011 and 2010 have been used with appropriate adjustments being made for the effects of significant transactions and the Group s share of results between these dates and December 31, 2011 and 2010, respectively. No adjustment was made with respect to PPPL for purposes of applying the equity method of accounting as there were no significant events or transactions that occurred between September 30, 2011 and December 31, 2011.

There are currently no restrictions in respect of the transfer of funds to the Group in the form of cash dividends or the repayment of loans associated with its investments in SIG Combibloc Obeikan FZCO and GBPPL.

The Ducart and Banawi associates have limitations to the amount of dividends that the associates may declare. Dividends are limited to the associates   accumulated profits after certain local reserve levels have been attained.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

23. Investments in associates and joint venture equity accounted (continued)

Under the restrictions imposed through the Saudi Industrial Development Fund (SIDF) resulting from the Group s concessional funding loan to SIG Combibloc Obeikan Co. Limited, the maximum dividend or cash distribution able to be paid to the Group from this venture in any fiscal year cannot exceed 25% of the paid-up-capital or SIDF loan value.

The Eclipse Closures, LLC joint venture has an annual mandatory tax distribution on or before March 31 of each year to distribute cash to members according to their respective percentage of shares. The distribution is equal to the prior year s profit and highest combined federal and state income taxes at rates payable by any member. However, due to losses incurred, no mandatory tax distribution is due on March 31, 2012.

Movements in carrying values of investments in associates and joint ventures (equity method)

	As of December 31,	
	2011	**2010**
	(In $ million)	
Balance at the beginning of the period	110	104
Share of profit, net of income tax	17	18
Acquisition through business combination	2	
Disposal, decrease or dilution in investment in associates		(3)
Dividends received	(8)	(4)
Effect of movement in exchange rates	(2)	(5)
Balance at the end of the period	**119**	**110**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**52**	**56**

24. Trade and other payables

	As of December 31,	
	2011	**2010**
	(In $ million)	
Trade payables	847	712
Related party payables (refer to note 30)	51	21
Other payables and accrued expenses	882	515
Total trade and other payables	**1,780**	**1,248**
Current	1,747	1,239

Non-current	33	9
Total trade and other payables	**1,780**	**1,248**

25. Borrowings

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		247	
2009 Credit Agreement(b)(v)			136
Pactiv 2012 Notes(m)(ac)		253	
Other borrowings(ae)		20	4
Current borrowings		**520**	**140**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		4,243	
2009 Credit Agreement(b)(v)			3,890
August 2011 Senior Secured Notes(c)(w)		1,468	
August 2011 Senior Notes(d)(w)		972	
February 2011 Senior Secured Notes(e)(x)		999	
February 2011 Senior Notes(f)(x)		993	
October 2010 Senior Secured Notes(g)(y)		1,473	1,470
October 2010 Senior Notes(h)(y)		1,466	1,464
May 2010 Notes(i)(z)		980	978
2009 Notes(j)(aa)		1,642	1,648
Related Party Notes at 8%(k)(ab)	30	606	621
Related Party Notes at 9.5%(l)(ab)	30	530	542
Pactiv 2012 Notes(m)(ac)			261
Pactiv 2017 Notes(n)(ac)		314	316
Pactiv 2018 Notes(o)(ac)		17	17
Pactiv 2025 Notes(p)(ac)		269	269
Pactiv 2027 Notes(q)(ac)		197	197
Graham Packaging 2014 Notes(r)(ad)		367	
Graham Packaging 2017 Notes(s)(ad)		14	
Graham Packaging 2018 Notes(t)(ad)		19	
Related party borrowings	30	39	16
Other borrowings(ae)		33	28
Non-current borrowings		**16,641**	**11,717**
Total borrowings		**17,161**	**11,857**

	As of December 31, 2011	2010
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,574	
Transaction costs	(65)	
Original issue discount	(19)	
Carrying amount	**4,490**	

(b) 2009 Credit Agreement (current and non-current)		4,150
Transaction costs		(86)
Original issue discount		(38)
Carrying amount		**4,026**
(c) August 2011 Senior Secured Notes	1,500	
Transaction costs	(33)	
Original issue discount	(11)	
Embedded derivative	12	
Carrying amount	**1,468**	
(d) August 2011 Senior Notes	1,000	
Transaction costs	(27)	
Original issue discount	(7)	
Embedded derivative	6	
Carrying amount	**972**	

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(e) February 2011 Senior Secured Notes	1,000	
Transaction costs	(15)	
Embedded derivative	14	
Carrying amount	**999**	
(f) February 2011 Senior Notes	1,000	
Transaction costs	(17)	
Embedded derivative	10	
Carrying amount	**993**	
(g) October 2010 Senior Secured Notes	1,500	1,500
Transaction costs	(35)	(39)
Embedded derivative	8	9
Carrying amount	**1,473**	**1,470**
(h) October 2010 Senior Notes	1,500	1,500
Transaction costs	(43)	(46)
Embedded derivative	9	10
Carrying amount	**1,466**	**1,464**
(i) May 2010 Notes	1,000	1,000
Transaction costs	(28)	(31)
Embedded derivative	8	9
Carrying amount	**980**	**978**
(j) 2009 Notes	1,707	1,723
Transaction costs	(59)	(69)
Original issue discount	(17)	(19)
Embedded derivative	11	13
Carrying amount	**1,642**	**1,648**
(k) Related Party Notes at 8%	621	638

Transaction costs	(15)	(17)
Carrying amount	**606**	**621**
(l) Related Party Notes at 9.5%	544	558
Transaction costs	(14)	(16)
Carrying amount	**530**	**542**
(m) Pactiv 2012 Notes	249	249
Fair value adjustment at acquisition	4	12
Carrying amount	**253**	**261**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	16
Carrying amount	**314**	**316**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011 (In $ million)	As of December 31, 2010 (In $ million)
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes	355	
Fair value adjustment at acquisition	5	
Embedded derivative	7	
Carrying amount	**367**	
(s) Graham Packaging 2017 Notes	14	
Carrying amount	**14**	
(t) Graham Packaging 2018 Notes	19	
Carrying amount	**19**	

(u) August 2011 Credit Agreement

Reynolds Group Holdings Limited (RGHL), the immediate Parent of the Group, and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined below). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity Date	Original Facility Value (In million)	Value Drawn or Utilized at December 31, 2011 (In million)	Applicable interest rate for the period ended December 31, 2011
Term Tranches				
Tranche B Term Loan ($)(1)		2,325	2,283	4.250% - 6.500%

	February 9, 2018			
Tranche C Term Loan ($)	August 9, 2018	2,000	1,974	6.500%
European Term Loan ( )	February 9, 2018	250	246	5.000% - 6.750%
Revolving Tranches(2)				
Revolving Tranche ($)	November 5, 2014	120	85	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) In connection with the August 2011 Credit Agreement, the U.S. Term Loans under the February 2011 Credit Agreement were redesignated as Tranche B Term Loans .

(2) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

On September 8, 2011, $2,000 million of incremental term loans were drawn under the August 2011 Credit Agreement. These proceeds, together with the proceeds of the August 2011 Notes (as defined below) and available cash of the Group, were used to finance the Graham Packaging Acquisition (refer to note 33) and to pay related fees and expenses.

RGHL and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Senior Secured Notes (each as defined below and together the Secured Notes). Graham Packaging Holdings Company and its subsidiaries (the Graham Group) have not guaranteed the August 2011 Credit Agreement or granted security to support the obligations under the August 2011 Credit Agreement.

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. Additional principal amortization payments of $50 million per quarter will be payable for so long as certain members of the Graham Group do not guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement (which excludes the assets and EBITDA of the Graham Group) and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of December 31, 2011, RGHL and the Group were in compliance with all of the covenants.

(v) February 2011 Credit Agreement and 2009 Credit Agreement

RGHL and certain members of the Group were parties to a senior secured credit agreement dated February 9, 2011 (the February 2011 Credit Agreement). The February 2011 Credit Agreement amended and restated a senior secured credit agreement dated November 5, 2009 (the 2009 Credit Agreement). On February 1, 2011, the Tranche D Term Loan under the 2009 Credit Agreement was repaid with the proceeds of the February 2011 Notes and on February 9, 2011 the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan under the 2009 Credit Agreement were repaid with the proceeds of the U.S. Term Loan and European Term Loan under the February 2011 Credit Agreement.

(w) August 2011 Notes

On August 9, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together the Reynolds Issuers) issued $1,500 million principal amount of 7.875% senior secured notes due 2019 (the August 2011 Senior Secured Notes) and $1,000 million principal amount of 9.875% senior notes due 2019 (the August 2011 Senior Notes and, together with the August 2011 Senior Secured Notes, the August 2011 Notes). Interest on the August 2011 Notes is paid semi-annually on February 15 and August 15.

(x) February 2011 Notes

On February 1, 2011, the Reynolds Issuers issued $1,000 million principal amount of 6.875% senior secured notes due 2021 (the February 2011 Senior Secured Notes) and $1,000 million principal amount of

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

8.250% senior notes due 2021 (the February 2011 Senior Notes and, together with the February 2011 Senior Secured Notes, the February 2011 Notes). Interest on the February 2011 Notes is paid semi-annually on February 15 and August 15.

(y) October 2010 Notes

On October 15, 2010, the Reynolds Issuers issued $1,500 million principal amount of 7.125% senior secured notes due 2019 (the October 2010 Senior Secured Notes) and $1,500 million principal amount of 9.000% senior notes due 2019 (the October 2010 Senior Notes and, together with the October 2010 Senior Secured Notes, the October 2010 Notes). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15.

(z) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000 million principal amount of 8.500% senior notes due 2018 (the May 2010 Notes). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

(aa) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125 million principal amount of 7.750% senior secured notes due 2016 and 450 million principal amount of 7.750% senior secured notes due 2016 (collectively, the 2009 Notes). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

The shares in the Company have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, the Company and certain of its subsidiaries have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms Governing the Notes

As used herein Notes refers to the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Notes and the 2009 Notes.

Certain Guarantee and Security Arrangements

All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

Certain guarantors have granted security over certain of their assets to support the obligations under the Secured Notes. This security is expected to be shared on a first priority basis with the creditors under the August 2011 Credit Agreement.

Notes Indentures Restrictions

The respective indentures governing the Notes all contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the respective indentures governing the Notes.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Early Redemption Option and Change in Control Provisions

Under the respective indentures governing the Notes, the Reynolds Issuers, at their option, can elect to redeem the Notes under terms and conditions specified in the respective indentures. The terms of the early redemption constitute an embedded derivative. In accordance with the Group s accounting policy for embedded derivatives, the Group has recognized embedded derivatives in relation to the redemption provisions of the indentures governing the respective Notes.

Under the respective indentures governing the Notes, in certain circumstances which would constitute a change in control, the holders of the Notes have the right to require the Reynolds Issuers to repurchase the Notes at a premium.

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010 and ended on November 5, 2011. Additional interest on the May 2010 Notes commenced on May 4, 2011 and ends on May 4, 2012. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. For the period ended December 31, 2011, the Group expensed additional interest of $10 million, $3 million, and $2 million related to the 2009 Notes, May 2010 Notes and October 2010 Notes, respectively. As of December 31, 2011, the accrued additional interest related to these series of notes was $3 million.

(ab) Related Party Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A (BP II) (a related party of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15. Concurrent with the issuance of the 2007 Notes, BP II loaned 900 million to the Company, consisting of 480 million principal amount with an interest rate of 8.000% (the Related Party Notes at 8%) and 420 million principal amount with an interest rate of 9.500% (the Related Party Notes at 9.5% and together with the Related Party Notes at 8%, the Related Party Notes). The interest payment and final maturity dates of the Related Party Notes are consistent with those of the 2007 Notes.

The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of BP I held by RGHL and the receivables under a loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the 2007 Notes to the extent permitted by law.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

The indentures governing the 2007 Notes contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indentures governing the 2007 Notes.

In certain circumstances which would constitute a change in control, the holders of the 2007 Notes have the right to require BP II to repurchase the 2007 Notes at a premium.

(ac) Pactiv Notes

As of December 31, 2011 and December 31, 2010, the Group had outstanding:

$249 million in principal amount of 5.875% Notes due 2012 which were issued by Pactiv (as defined in note 33) (the Pactiv 2012 Notes);

$300 million in principal amount of 8.125% Debentures due 2017 which were issued by Pactiv (the Pactiv 2017 Notes);

$16 million in principal amount of 6.400% Notes due 2018 which were issued by Pactiv (the Pactiv 2018 Notes);

$276 million in principal amount of 7.950% Debentures due 2025 which were issued by Pactiv (the Pactiv 2025 Notes); and

$200 million in principal amount of 8.375% Debentures due 2027 which were issued by Pactiv (the Pactiv 2027 Notes),

(together, the Pactiv Notes).

For each of the Pactiv Notes, interest is paid semi-annually:

on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;

on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and

on the Pactiv 2027 Notes, April 15 and October 15.

The Pactiv Notes are not guaranteed by any member of the Group and are unsecured.

The indentures governing the Pactiv Notes contain a negative pledge clause limiting the ability of certain entities within the Group, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on principal manufacturing properties (as such term is defined in the indentures governing the Pactiv Notes) or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing property and (ii) sell and then take an immediate lease back of such principal manufacturing property.

The Pactiv 2012 Notes, the Pactiv 2017 Notes, the Pactiv 2018 Notes and the Pactiv 2027 Notes may be redeemed at any time at the Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption.

Refer to note 37 for further information regarding the repayment of the Pactiv 2012 Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ad) Graham Packaging Notes

As of December 31, 2011, the Group had outstanding:

$355 million in principal amount of 9.875% senior subordinated notes due 2014, which were issued by Graham Packaging Company L.P. and GPC Capital Corp. I (the Graham Issuers) (the Graham Packaging 2014 Notes);

$14 million in principal amount of 8.250% senior notes due 2017, which were issued by the Graham Issuers (the Graham Packaging 2017 Notes); and

$19 million in principal amount of 8.250% senior notes due 2018, which were issued by the Graham Issuers (the Graham Packaging 2018 Notes),

(together, the Graham Packaging Notes).

For each of the Graham Packaging Notes, interest is paid semi-annually:

on the Graham Packaging 2014 Notes, April 15 and October 15;

on the Graham Packaging 2017 Notes, January 1 and July 1; and

on the Graham Packaging 2018 Notes, April 1 and October 1.

The Graham Packaging Notes are guaranteed by certain members of the Graham Group and are unsecured.

The respective indentures governing the Graham Packaging Notes all contain customary covenants which restrict the Graham Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets, making restricted payments and entering into certain transactions with affiliates (which would include transactions with members of the Group that are not members of the Graham Group), in each case except as permitted under the respective indentures governing the Graham Packaging Notes.

The Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption plus a premium. The Graham Packaging 2014 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to (i) from October 15, 2011 through October 14, 2012, 101.646% of the outstanding principal of amount thereof; and (ii) thereafter, 100% of the outstanding principal amount thereof; plus, in each case, any accrued and unpaid interest to the date of redemption.

On the date of the Graham Packaging Acquisition, the Group acquired principal amounts of $253 million and $250 million of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, respectively. Following the closing of the Graham Packaging Acquisition, the Graham Issuers launched a change of control offer on September 16, 2011 (the Change of Control Offer) to re-purchase for cash any or all of the Graham Packaging 2017

Notes and the Graham Packaging 2018 Notes pursuant to the respective indentures governing such notes. On October 20, 2011 principal amounts of $239 million of the Graham Packaging 2017 Notes and $231 million of the Graham Packaging 2018 Notes were re-purchased pursuant to the Change of Control Offer. The Group paid a total of $482 million for the payment of principal, accrued interest and the change of control premium for the above notes tendered in the Change of Control Offer.

Refer to note 37 for further information regarding the repayment of the Graham Packaging Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ae) Other borrowings

As of December 31, 2011, in addition to the August 2011 Credit Agreement, the Notes, the Related Party Notes, the Pactiv Notes, and the Graham Packaging Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of December 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of December 31, 2011, the secured facilities were utilized in the amount of $25 million (2010: $4 million) in the form of letters of credit and bank guarantees.

Other borrowings as of December 31, 2011, also included finance lease obligations of $28 million (2010: $28 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Term and debt repayment schedule

				As of December 31,				
	Currency	2011 Nominal interest rate	2010 interest rate	Year of maturity (In $ million)	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
August 2011 Credit Agreement:								
Tranche B Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	2,283	2,268		
Tranche C Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	1,974	1,906		
European Term Loan		EURIBOR with a floor of 1.500% + 5.250%		2018	317	316		
2009 Credit Agreement:								
Tranche A	$	LIBOR with a floor of 1.750% + 4.500%	6.250%	Repaid			500	485
Tranche B	$	LIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			1,016	980
Tranche C	$	LIBOR with a floor of 1.500% + 4.750%	6.250%	Repaid			790	767
Tranche D	$	LIBOR with a floor of 1.750% + 4.750%	6.500%	Repaid			1,520	1,474
European Term Loan		EURIBOR with a floor	6.750%	Repaid			324	320

		of 2.000% + 4.750%						
August 2011 Senior Secured Notes	$	7.875%		2019	1,500	1,468		
August 2011 Senior Notes	$	9.875%		2019	1,000	972		
February 2011 Senior Secured Notes	$	6.875%		2021	1,000	999		
February 2011 Senior Notes	$	8.250%		2021	1,000	993		
October 2010 Senior Secured Notes	$	7.125%	7.125%	2019	1,500	1,473	1,500	1,470
October 2010 Senior Notes	$	9.000%	9.000%	2019	1,500	1,466	1,500	1,464
May 2010 Notes	$	8.500%	8.500%	2018	1,000	980	1,000	978
2009 Notes		7.750%	7.750%	2016	582	571	598	585
2009 Notes	$	7.750%	7.750%	2016	1,125	1,071	1,125	1,063
Related Party Notes at 8%		8.000%	8.000%	2016	621	606	638	621
Related Party Notes at 9.5%		9.500%	9.500%	2017	544	530	558	542
Pactiv 2012 Notes	$	5.875%	5.875%	2012	249	253	249	261
Pactiv 2017 Notes	$	8.125%	8.125%	2017	300	314	300	316
Pactiv 2018 Notes	$	6.400%	6.400%	2018	16	17	16	17
Pactiv 2025 Notes	$	7.950%	7.950%	2025	276	269	276	269
Pactiv 2027 Notes	$	8.375%	8.375%	2027	200	197	200	197
Graham Packaging 2014 Notes	$	9.875%		2014	355	367		
Graham Packaging 2017 Notes	$	8.250%		2017	14	14		
Graham Packaging 2018 Notes	$	8.250%		2018	19	19		
Related party borrowings		EURIBOR + 2.38	3.01% - 3.32%	n/a	16	16	16	16
Related party borrowings		EURIBOR with a floor of 2.000% + 4.875%		n/a	23	23		
Finance lease liabilities	Various	Various	Various	Various	28	28	28	28
Other borrowings	Various	Various	Various	Various	25	25	4	4
					17,467	**17,161**	**12,158**	**11,857**

F-261

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	As of December 31,					
	2011			2010		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
	(In $ million)					
Less than one year	3	1	2	5	2	3
Between one and five years	11	6	5	13	6	7
More than five years	27	6	21	26	8	18
Total finance lease liabilities	**41**	**13**	**28**	**44**	**16**	**28**

26. Employee Benefits

	As of December 31,	
	2011	2010
	(In $ million)	
Salary and wages accrued	128	134
Provision for annual leave	64	32
Provision for employee benefits	8	5
Provision for long service leave	15	5
Provision for sick leave	6	5
Defined contribution obligations	34	31
Defined benefit obligations:		
Pension benefits	766	785
Post-employment medical benefits	140	169
Total employee benefits	**1,161**	**1,166**
Current	227	195
Non-current	934	971
Total employee benefits	**1,161**	**1,166**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

26.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, United Kingdom, Mexico and the United States. The Group s most significant plan as of December 31, 2011 is the Pactiv Retirement Plan, which comprises 80% (2010: 85%), of the Group s present value of obligations. The plan was assumed as part of the Pactiv Acquisition.

	As of December 31, 2011	2010
	(In $ million)	
Present value of unfunded obligations	157	228
Present value of funded obligations	5,276	4,708
Unrecognized actuarial gains (losses)	(484)	129
Total present value of obligations	**4,949**	**5,065**
Fair value of plan assets	(4,261)	(4,433)
Asset capping according to IAS 19, paragraph 58		135
Total pension benefits	**688**	**767**
Included in the statement of financial position as:		
Employee benefits liabilities	766	785
Assets held for sale	(1)	
Other non-current assets and non-current receivables	(77)	(18)
Total pension benefits	**688**	**767**

Movement in the defined benefit obligation

	As of December 31, 2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	4,936	718
Defined benefit obligations assumed in business combinations	241	4,267
Current service cost	29	14
Past service cost		11
Interest cost	245	55

Contributions by plan participants	2	2
Benefits paid by the plan	(341)	(92)
Curtailments(a)	3	
Settlements(b)		(39)
Actuarial (gains) losses on plan liabilities	349	(40)
Changes in actuarial assumptions		1
Reclassifications from employee benefits		(2)
Defined benefit obligations related to disposals of businesses(a)	(18)	
Effect of movements in exchange rates	(13)	41
Liability for defined benefit obligations at the end of the period	**5,433**	**4,936**

F-263

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

(a) During 2011, certain personnel participating under the SIG pension and welfare fund of SIG Schweizerische Industrie Gesellschaft AG were terminated without further plan benefits through a management buy-out which resulted in a curtailment loss of $3 million.

On September 1, 2011, the Group announced to participants in the Pactiv Retirement Plan that the plan was being frozen and that no future benefits would be earned effective January 1, 2012. There was no curtailment impact on comprehensive income as a result of freezing the plan and no effect on the plan s defined benefit obligation.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition in November 2010 (refer to note 33). Certain settlements made in the period ended December 31, 2010, were not funded by plan assets.

Of the above liability for the defined benefit obligation, the liability related to the Pactiv Retirement Plan was $4,254 million as of December 31, 2011 (2010: $4,086 million).

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Current service cost	29	14	14
Past service cost		11	10
Interest cost	245	55	29
Expected return on plan assets	(312)	(67)	(29)
Curtailments	3		(3)
Asset capping according to IAS 19, paragraph 58		(37)	49
Changes in actuarial assumptions			1
Actuarial (gains) losses	10	34	(45)
Total plan net (income) expense	**(25)**	**10**	**26**

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Cost of sales	22	13	18

General and administration expenses	(47)	(3)	8
Total plan (income) expense	**(25)**	**10**	**26**

During the period ended December 31, 2011, the net plan income of the Pactiv Retirement Plan was $49 million (2010: $5 million net plan expense for the period from November 16, 2010 to December 31, 2010).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in plan assets

	As of December 31, 2011	2010
	(In $ million)	
Fair value of the plan assets at the beginning of the period	4,433	736
Plan assets assumed in business combinations	123	3,546
Contributions by the Group	27	67
Contributions by plan participants	2	2
Benefits paid by the plans	(341)	(92)
Expected return on plan assets	312	67
Actuarial gains (losses) on plan assets	(277)	81
Settlements		(39)
Plan assets related to disposals of businesses	(18)	
Effects of movements in exchange rates		63
Transfer of assets to the plan		2
Fair value of plan assets at the end of the period	**4,261**	**4,433**

The above plan assets as of December 31, 2011 and 2010 include the Pactiv Retirement Plan assets of $3,362 million and $3,622 million, respectively. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As of December 31, 2011 and 2010, $27 million and $28 million in cash, respectively, included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As of December 31, 2011	2010
	(In $ million)	
Equity instruments	2,620	2,858
Debt instruments	1,270	1,304
Property	214	207
Other	157	64
Total plan assets	**4,261**	**4,433**
Actual return on plan assets	**35**	**148**

The actual return on plan assets includes the actual return on plan assets of the Pactiv Retirement Plan of $21 million for the period ended December 31, 2011 and $125 million for the period from November 16, 2010 to December 31, 2010.

The Group expects to contribute $36 million to the pension plans during the annual period beginning after the reporting date.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Actuarial assumptions all plans

	For the period ended December 31,		
	2011	**2010**	**2009**
Discount rates at December 31	1.8% - 8.25%	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	2.0% - 9.0%	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 5.0%	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 4.0%	0.0% - 2.0%	0.0% - 2.0%

The expected long-term rate of return for each plan is based on the portfolio as a whole and not on the sum of the returns on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The actuarial assumptions on the Group s most significant defined benefit pension plan for the period ended December 31, 2011 and 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31,	
	2011	**2010**
Discount rates at December 31	4.8%	5.2%
Expected returns on plan assets at January 1	7.8%	7.8%
Future salary increases	%	4.0%
Future pension increases	%	2.7%

The actuarial assumptions on the Group s most significant defined benefit pension plan prior to the Pactiv Acquisition in November 2010, being the SIG Combibloc Group AG plan, are as follows:

	For the period ended December 31,	
	2010	**2009**
Discount rates at December 31	3.3%	3.5%
Expected returns on plan assets at January 1	4.2%	4.3%
Future salary increases	2.5%	2.0%
Future pension increases	2.0%	1.0%

Historical information

	For the period ended December 31,				
	2011	2010	2009	2008	2007
	(In $ million)				
Liability for the defined benefit obligations	(5,433)	(4,936)	(718)	(694)	(621)
Fair value of plan assets	4,261	4,433	736	665	674
Plan (deficit) surplus	**(1,172)**	**(503)**	**18**	**(29)**	**53**
Experience adjustments arising on plan liabilities	(99)	(3)	(4)	1	
Experience adjustments arising on plan assets	(277)	14	(46)	9	

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The assumed discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in assumed discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	7	(5)
Effect on the defined benefit obligation	(274)	267

The expected rates of return on plan assets have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in expected rates of return on plan assets would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	22	(22)
Effect on the defined benefit obligation		

26.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans mainly in the United States. The liability for the post-employment medical benefits has been assessed using the same assumptions as for the pension benefits, together with the assumption of a weighted average healthcare cost trend rate of 8.0% in 2011 (2010: 7.9% and 2009: 8.0%).

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2011 and 2010.

	As of December 31,	
	2011	2010
	(In $ million)	
Present value of unfunded obligations	147	158
Unrecognized actuarial gains (losses)	(7)	3
Unrecognized past service costs	5	8
Total present value of obligations	145	169
Fair value of plan assets		
Total post-employment medical benefits	**145**	**169**

The Group expects to contribute $9 million to the post-employment medical benefit plans during the annual period ending December 31, 2012.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in the defined benefit obligation

	For the period ended December 31,	
	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	158	87
Defined benefit obligations assumed in a business combination	1	71
Current service cost	3	2
Interest cost	8	5
Past service cost(b)	(7)	
Contributions by plan participants	4	1
Benefits paid by the plan	(12)	(3)
Plan amendments(a)		(1)
Curtailments(b)	(17)	
Actuarial (gains) losses recognized	9	(4)
Liability for defined benefit obligations at the end of the period	**147**	**158**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $1 million.

(b) On August 8, 2011, the Group terminated Pactiv retiree medical coverage, except for those who retired prior to 2003, which resulted in a curtailment gain of $17 million. The Group also capped the retiree life insurance benefit associated with the retiree medical plan. These actions resulted in a reduction of $7 million in past service costs during the period ended December 31, 2011.

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Current service cost	3	2	3
Interest cost	8	5	5
Past service cost	(10)	(2)	(2)
Curtailments	(17)		5

Actuarial losses recognized			1
Plan amendments		(1)	
Total (income) expense recognized in the statement of comprehensive income	**(16)**	**4**	**12**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Cost of sales	5	4	7
General and administration expenses	(21)		5
Total plan (income) expense	**(16)**	**4**	**12**

Assumed health care cost trend rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in assumed health care cost trend rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	4	(3)

Discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	(8)	9

Historical information

For the period ended December 31,				
2011	2010	2009	2008	2007
(In $ million)				

Present value of the defined benefit obligation	147	158	87	86	25
Experience adjustments arising on plan liabilities	3	5		(1)	

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

27. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Balance as of December 31, 2010	41	12	17	35	55	160
Acquisitions through business combinations	12	4	1	12	20	49
Provisions made	2	8	90	18	18	136
Provisions used	(9)	(13)	(69)	(15)	(9)	(115)
Provisions reversed	(5)	(2)	(2)		(1)	(10)
Transfers to other liabilities	(3)	2	(1)		9	7
Effect of movements in exchange rates	(1)				(1)	(2)
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Total Provisions as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	16	12	17	17	12	74
Non-current	25			18	43	86
Total Provisions as of December 31, 2010	**41**	**12**	**17**	**35**	**55**	**160**

Legal

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. While it is not possible to predict the outcome of any of these matters, based on management s assessment of the facts and circumstances now known, management does not believe any of these matters, individually or in the aggregate, will have a material effect on the Group s financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on the Group s financial position, results of operations or cash flows in a particular future period.

Warranty

A provision for warranty is recognized for all products under warranty as of the reporting date based on sales volumes and past experience of the level of problems reported and product returns.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

Workers compensation

The Group has elected to self-insure certain of its workers compensation obligations in the United States.

Under the self-insurance programs in the United States, the Group retains the risk of work related injuries for any employees covered under the scheme.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

27. Provisions (continued)

The liability in respect of the self-insurance programs is estimated on an actuarial basis to reflect all claims incurred, including reported claims and those that are incurred but not yet reported. All changes in the liability for claims are recognized immediately in the statement of comprehensive income.

As a result of the Group s self-insured status in the United States, the risk presently exists that an insurable event may occur which will result in a claim which cannot be readily quantified financially. By their very nature, risks of this type are inherently random and therefore unpredictable. The Group mitigates this risk by having established and approved occupational health and safety procedures in addition to resources directed to the management of claims and rehabilitation.

As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size.

Other provisions

The main components of other provisions are lease provisions and contingent liabilities recognized in acquisitions, environmental remediation, asset retirement obligations, brokerage provisions for customs duties, and rent contracts related to investment properties. Other provisions as of December 31, 2011 included $26 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition and the Dopaco Acquisition, $17 million related to asset retirement obligations, which were acquired in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $10 million related to environmental remediation programs. Other provisions as of December 31, 2010 included $29 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition, $5 million related to a contingent tax liability acquired in the Pactiv Acquisition and $9 million related to environmental remediation programs.

28. Equity

28.1 Share capital

The reported share capital balance as of December 31, 2011 is that of the Company, which is the sole parent of the Group.

In accordance with the Group s accounting policy in respect of common control transactions (refer to note 3.1(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that the common control originally commenced rather than the date that the common control transactions actually occurred. As a result, the reported share capital balance as of January 1, 2010, is that of the Company, EPI, Evergreen Packaging International B.V. (EPIBV), Reynolds Packaging Inc. (RPI) (now named Reynolds Packaging Holdings LLC), and Reynolds Packaging International B.V. (RPIBV).

On September 1, 2010, the issued capital of RPI and RPIBV was acquired by entities controlled by the Company. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $149 million difference between the consideration paid of $342 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $193 million has been recognized as a debit to other reserves which is a component of equity.

On May 4, 2010, the issued capital of EPI and EPIBV was acquired by entities controlled by the Company. From this date, each of EPI and EPIBV as well as their respective controlled entities are

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

28. Equity (continued)

consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $899 million difference between the consideration paid of $1,612 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $713 million has been recognized as a debit to other reserves which is a component of equity.

On November 5, 2009, the issued capital of Reynolds Consumer Products Holdings Inc. (RCPHI) (now named Reynolds Consumer Products Holdings LLC), Reynolds Consumer Products International B.V. (RCPIBV) and Closure Systems International B.V. (CSIBV) was acquired by entities controlled by the Company. From this date, each of RCPHI, RCPIBV, and CSIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $584 million difference between the consideration paid of $1,692 million (representing the fair value of the businesses acquired determined at the date of the common control acquisitions) and the share capital acquired of $1,108 million has been recognized as a debit to other reserves which is a component of equity.

A summary of the impact of these transactions recognized in other reserves within equity is as follows:

	Reynolds Consumer	Closures	Evergreen	Reynolds Foodservice
	(In $ million)			
Total consideration	984	708	1,612	342
Net book value of share capital of the acquired businesses	(641)	(467)	(713)	(193)
Difference between total consideration and book value of share capital of the acquired business (recognized in other reserves within equity)	343	241	899	149

During the period ended December 21, 2010, the Group recognized a total adjustment of $1,048 million (2009: $584 million) for the above common control transaction related to the Evergreen and Reynolds Foodservice acquisitions as a component of other reserves within equity.

Further information regarding the Company s issued capital is detailed below:

	For the period ended December 31,		
Number of shares	**2011**	**2010**	**2009**
Balance as of the beginning of the period	13,063,527	13,063,527	13,063,527
Issue of shares			
Balance as of December 31	**13,063,527**	**13,063,527**	**13,063,527**

On November 16, 2010, RGHL contributed $322 million.

On November 6. 2009, RGHL contributed $544 million.

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to once vote per share. All shares rank equally with regard to BP I s residual assets in the event of a wind-up.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

28. Equity (continued)

28.2 Reserves

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Translation reserve	310	331	53
Other reserves	(1,561)	(1,561)	(513)
Balance	**(1,251)**	**(1,230)**	**(460)**

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currencies to the Group s presentation currency.

Other reserves

The other reserves comprise balances resulting from transactions with entities under common control.

In accordance with the Group s accounting policy for transactions under common control (refer to note 3.1(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010 (refer to Note 28.1).

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions.

28.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2011 (2010: none; 2009: none) by the Company.

On August 31, 2010, RPI paid a dividend of $39 million, of which $38 million was paid in cash and $1 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

28.4 Capital management

The Directors are responsible for monitoring and managing the Group s capital structure. Capital is comprised of equity and external borrowings.

The Directors policy is to maintain an acceptable capital base to promote the confidence of the Group s financiers and creditors and to sustain the future development of the business. The Directors monitor the Group s financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures, including for example to dispose of assets or operating segments of the business, alter its short to medium term plans in respect of capital projects and working capital levels, or to re-balance the level of equity and external debt in place.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management

29.1 Overview

This note presents information about the Group s exposure to market risk, credit risk and liquidity risk, and where applicable, the Group s objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arises in the normal course of the Group s business. The Directors of the Group and the ultimate parent entity have overall responsibility for the establishment and oversight of the Group s risk management framework.

The Directors have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Risk management is primarily carried out by the treasury function of the Group. The Directors have delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the treasury function.

Monthly combined treasury reports are prepared for the Directors and officers of the Group, who ensure compliance with the risk management policies and procedures.

29.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Group s cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes.

(a) Foreign exchange risk

Translation risk

As a result of the Group s international operations, foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ( ), Mexican Pesos (MXN) and Canadian Dollars (CA$)

In accordance with the Group s treasury policy, the Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate, the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

Exposure to foreign exchange risk

		MXN	CA$
	(In $ million)		
As of December 31, 2011			
Cash and cash equivalents	99	11	7
Trade and other receivables	141	73	21
Non-current receivables	7		
Trade and other payables	(209)	(43)	(12)
Loans and borrowings:			
August 2011 Credit Agreement	(316)		
2009 Notes	(571)		
Related Party Notes at 8%	(606)		
Related Party Notes at 9.5%	(530)		
Other borrowings	(1)		
Related party borrowings	(39)		
Total exposure	(2,025)	41	16
Embedded derivative	9		
Commodity derivative	(3)		
Effect of derivative contracts	6		
Net exposure	**(2,019)**	**41**	**16**

		MXN	CA$
	(In $ million)		
As of December 31, 2010			
Cash and cash equivalents	81	9	14
Trade and other receivables	120	47	13
Non-current receivables	24		
Trade and other payables	(152)	(16)	(2)
Loans and borrowings:			
2009 Credit Agreement	(320)		
2009 Notes	(585)		
Related Party Notes at 8%	(621)		
Related Party Notes at 9.5%	(542)		

Other borrowings	(2)		
Related party borrowings	(16)		
Total exposure	**(2,013)**	**40**	**25**
Embedded derivative	16		
Commodity derivative			
Effect of derivative contracts	16		
Net exposure	**(1,997)**	**40**	**25**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

Cash flows associated with derivatives are expected to occur and impact the profit or loss component of the statement of comprehensive income in the next twelve months.

In addition to the above, the Group is exposed to foreign exchange risk on future sales and purchases that are denominated in foreign currencies.

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31,		As of December 31	
	2011	2010	2011	2010
1	1.39	1.33	1.32	1.33
10 MXN	0.80	0.79	0.71	0.81
1 CA$	1.01	0.97	0.98	1.00

Sensitivity analysis

A change in exchange rates would impact future payments and receipts of the Group s assets and liabilities denominated in foreign currencies. A 10% strengthening or weakening of the $ against the following currencies at the reporting date would have (increased) decreased comprehensive income in the statement of comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Comprehensive income for the period ended December 31, 2011	
	10% strengthening of $	10% weakening of $
	(In $ million)	
	(202)	202
MXN	4	(4)
CA$	2	(2)

The Group s primary exposure to foreign exchange risk is on the translation of net assets of Group entities which are denominated in currencies other than $, which is the Group s reporting currency. The impact of movements in exchange rates is therefore recognized in other comprehensive income.

Transaction risk

The Group has $1,583 million of $ denominated notes in an entity with a functional currency of . A 10% strengthening of the $ against the would have resulted in a $158 million loss recognized as a financial expense in the statement of comprehensive income. A 10% weakening would have an equal but opposite effect.

Certain subsidiaries within the Group are exposed to foreign exchange risk on intercompany borrowings, sales and purchases denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the net operating profit recognized in the profit or loss component of the Group s statement of comprehensive income.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

(b) Interest rate risk

The Group s interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group has exposure to both floating and fixed interest rates on borrowings primarily denominated in $ and .

Interest rate risk on borrowings at floating rates is partially offset by interest earned on cash deposits also at floating rates.

The Group has adopted a policy, which is consistent with the covenants under the August 2011 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out the Group s interest rate risk repricing profile:

	Total	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
			(In $ million)			
As of December 31, 2011						
Fixed rate instruments						
Loans and borrowings:						
August 2011 Senior Secured Notes	(1,500)					(1,500)
August 2011 Senior Notes	(1,000)					(1,000)
February 2011 Senior Secured Notes	(1,000)					(1,000)
February 2011 Senior Notes	(1,000)					(1,000)
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,707)				(1,707)	
Related Party Notes at 8%	(621)					(621)
Related Party Notes at 9.5%	(544)					(544)
Pactiv 2012 Notes	(249)		(249)			
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Graham Packaging 2014 Notes	(355)				(355)	
Graham Packaging 2017 Notes	(14)					(14)
Graham Packaging 2018 Notes	(19)					(19)
Other borrowings	(33)	(4)	(1)	(2)	(4)	(22)
Total fixed rate instruments	**(12,834)**	**(4)**	**(250)**	**(2)**	**(2,066)**	**(10,512)**
Floating rate instruments						
Cash and cash equivalents	597	597				
Bank overdrafts	(3)	(3)				
Loans and borrowings:						
August 2011 Credit Agreement	(4,574)	(4,574)				
Related party borrowings	(39)	(39)				
Other borrowings	(20)	(19)		(1)		
Total variable rate instruments	**(4,039)**	**(4,038)**		**(1)**		

Total	**(16,873)**	**(4,042)**	**(250)**	**(3)**	**(2,066)**	**(10,512)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Total	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
			(In $ million)			
As of December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,723)					(1,723)
Related Party Notes at 8%	(638)					(638)
Related Party Notes at 9.5%	(558)					(558)
Pactiv 2012 Notes	(249)			(249)		
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Other borrowings	(31)	(1)	(2)	(1)	(1)	(26)
Total fixed rate instruments	**(7,991)**	**(1)**	**(2)**	**(250)**	**(1)**	**(7,737)**
Floating rate instruments						
Cash and cash equivalents	663	663				
Bank overdrafts	(12)	(12)				
Loans and borrowings:						
2009 Credit Agreement	(4,150)	(4,150)				
Related party borrowings	(16)	(16)				
Other borrowings	(3)	(3)				
Total variable rate instruments	**(3,518)**	**(3,518)**				
Total	**(11,509)**	**(3,519)**	**(2)**	**(250)**	**(1)**	**(7,737)**

The Group s sensitivity to interest rate risk can be expressed in two ways:

Fair value sensitivity analysis

A change in interest rates impacts the fair value of the Group s fixed rate borrowings. Given all debt instruments are carried at amortized cost, a change in interest rates would not impact the profit or loss component of the statement of comprehensive income.

Cash flow sensitivity analysis

A change in interest rates would impact future interest payments and receipts on the Group s floating rate assets and liabilities. An increase or decrease in interest rates of 100 basis points at the reporting date would impact the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. The analysis is performed on the same basis for comparative periods.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

As of December 31, 2011, most of the Group s debt has been issued with a fixed interest rate. While interest on the August 2011 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor of between 1.25% and 1.50%. Given current LIBOR/EURIBOR rates, a 1% decrease in interest rates would have no impact on interest expense on this facility due to the LIBOR floor. However, a 1% increase in interest rates would have a $3 million impact on interest expense.

(c) Commodity and other price risk

Commodity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group s exposure to commodity and other price risk arises principally from the purchase of resin (and its components), natural gas and aluminum. Other than resin, natural gas and certain aluminum purchases, the Group generally purchases these commodities at spot market prices and commodity financial instruments or derivatives to hedge commodity prices are not used.

The Group s objective is to ensure that its commodity and other price risk exposure is kept at an acceptable level. In accordance with the Group s treasury policy, the Group enters into derivative instruments to hedge the Group s exposure in relation to the cost of resin, natural gas and aluminum.

The following table provides the detail of out outstanding derivative contracts as of December 31, 2011:

Type	Unit of measure	Contracted volumes	Contracted price range	Contracted date of maturity
Resin futures	LB	18,000,000	$0.98 - $1.00	Jan 2012 - Dec 2012
Resin futures	MT	10,000	1,420	Jul 2012 - Oct 2012
Resin futures	KL	16,900	JPY 48,100 - 51,700	Jan 2012 - Aug 2012
Aluminum swaps	MT	29,171	$1,940 - $2,816	Jan 2012 - Dec 2014
Natural gas swaps	MMBTU	2,742,627	$3.33 - $4.88	Jan 2012 - Feb 2013
Ethylene swaps	LB	11,637,600	$0.43 - $0.62	Feb 2012 - June 2012
Benzene swaps	GAL	4,299,389	$3.45 - $3.84	Feb 2012 - June 2012

The fair values of the derivative contracts are based on quoted market prices or traded exchange market prices and represent the estimated amounts that the Group would pay or receive to terminate the contracts. During the period ended December 31, 2011, the Group recognized an unrealized loss of $26 million (2010: unrealized gain of

$4 million; 2009: unrealized gain of $129 million) as a component of other income in the statements of comprehensive income. During the period ended December 31, 2011, the Group recognized a realized gain of $7 million (2010: realized loss of $11 million; 2009: realized loss of $96 million) as a component of cost of sales in the statements of comprehensive income.

The impact on the statement of comprehensive income from a revaluation of derivative contracts at December 31, 2011 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $15 million (2010: none; 2009: gain of $13 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group s receivables from customers and related entities.

Given the diverse range of operations and customers across the Group, the Directors have delegated authority for credit control procedures to each of the segments within the Group. Each operating business is responsible for managing its own credit control procedures. These include but are not limited to reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade. If considered appropriate the operating business may take out insurance for specific debtors.

Generally the Group does not require collateral in respect of trade and other receivables. Goods are generally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. For certain sales letters of credit are obtained.

The Group s exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 16.

Historically there has been a low level of losses resulting from default by customers and related entities. The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by making deposits and entering into derivative instruments with counterparties that have a credit rating of at least investment grade. Given these high credit ratings, management does not expect any such counterparty to fail to meet its obligations.

29.4 Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group s approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with bank covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. As of December 31, 2011, the Group had undrawn lines of credit under the revolving facilities of the August 2011 Credit Agreement totaling $35 million and 63 million ($82 million) (2010: $71 million and 56 million ($74 million) under the 2009 Credit Agreement). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out contractual cash flows for all financial liabilities including commodity derivatives.

	Carrying Amount	Total	6 Months or Less	6 to 12 Months (In $ million)	1 to 2 Years	2 to 5 Years	More than 5 Years
As of December 31, 2011							
Non-derivative financial liabilities							
Bank overdrafts	(3)	(3)	(3)				
Trade and other payables	(1,747)	(1,747)	(1,747)				
Non-current payables	(33)	(33)			(33)		
Loans and borrowings:							
August 2011 Credit Agreement	(4,490)	(6,142)	(271)	(267)	(522)	(1,471)	(3,611)
August 2011 Senior Secured Notes	(1,468)	(2,444)	(59)	(59)	(118)	(354)	(1,854)
August 2011 Senior Notes	(972)	(1,789)	(49)	(49)	(99)	(296)	(1,296)
February 2011 Senior Secured Notes	(999)	(1,652)	(34)	(34)	(69)	(206)	(1,309)
February 2011 Senior Notes	(993)	(1,784)	(41)	(41)	(83)	(248)	(1,371)
October 2010 Senior Secured Notes	(1,473)	(2,301)	(53)	(53)	(107)	(321)	(1,767)
October 2010 Senior Notes	(1,466)	(2,514)	(68)	(68)	(135)	(405)	(1,838)
May 2010 Notes	(980)	(1,554)	(43)	(43)	(85)	(255)	(1,128)
2009 Notes	(1,642)	(2,368)	(66)	(66)	(132)	(2,104)	
Related Party Notes at 8%	(606)	(870)	(25)	(25)	(50)	(770)	
Related Party Notes at 9.5%	(530)	(803)	(26)	(26)	(52)	(699)	
Pactiv 2012 Notes	(253)	(264)	(7)	(257)			
Pactiv 2017 Notes	(314)	(433)	(12)	(12)	(24)	(73)	(312)
Pactiv 2018 Notes	(17)	(23)	(1)	(1)	(1)	(3)	(17)
Pactiv 2025 Notes	(269)	(584)	(11)	(11)	(22)	(66)	(474)
Pactiv 2027 Notes	(197)	(459)	(8)	(8)	(17)	(50)	(376)
Graham Packaging 2014 Notes	(367)	(461)	(18)	(18)	(35)	(390)	
Graham Packaging 2017 Notes	(14)	(21)	(1)	(1)	(1)	(3)	(15)
Graham Packaging 2018 Notes	(19)	(31)	(1)	(1)	(2)	(5)	(22)
Related party borrowings	(39)	(57)		(2)	(2)	(5)	(48)
Other borrowings	(53)	(66)	(25)	(2)	(5)	(9)	(25)

	(18,944)	**(28,403)**	**(2,569)**	**(1,044)**	**(1,594)**	**(7,733)**	**(15,463)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows		26	17	9			
Outflows	(15)	(41)	(27)	(14)			
	(15)	**(15)**	**(10)**	**(5)**			
Total	**(18,959)**	**(28,418)**	**(2,579)**	**(1,049)**	**(1,594)**	**(7,733)**	**(15,463)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Carrying Amount	Total	6 Months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
				(In $ million)			
As of December 31, 2010							
Non-derivative financial liabilities							
Bank overdrafts	(12)	(12)	(12)				
Trade and other payables	(1,239)	(1,239)	(1,239)				
Non-current payables	(9)	(9)			(9)		
Loans and borrowings:							
2009 Credit Agreement	(4,026)	(5,381)	(176)	(198)	(419)	(1,986)	(2,602)
October 2010 Senior Secured Notes	(1,470)	(2,407)	(53)	(53)	(107)	(320)	(1,874)
October 2010 Senior Notes	(1,464)	(2,649)	(68)	(68)	(135)	(405)	(1,973)
May 2010 Notes	(978)	(1,639)	(43)	(43)	(85)	(255)	(1,213)
2009 Notes	(1,648)	(2,526)	(67)	(67)	(134)	(401)	(1,857)
Related Party Notes at 8%	(621)	(945)	(26)	(26)	(51)	(153)	(689)
Related Party Notes at 9.5%	(542)	(904)	(27)	(27)	(53)	(159)	(638)
Pactiv 2012 Notes	(261)	(278)	(7)	(7)	(264)		
Pactiv 2017 Notes	(316)	(457)	(12)	(12)	(24)	(73)	(336)
Pactiv 2018 Notes	(17)	(24)	(1)	(1)	(1)	(3)	(18)
Pactiv 2025 Notes	(269)	(606)	(11)	(11)	(22)	(66)	(496)
Pactiv 2027 Notes	(197)	(476)	(8)	(8)	(17)	(50)	(393)
Related party borrowings	(16)	(19)					(19)
Other borrowings	(32)	(43)	(3)	(3)	(2)	(6)	(29)
	(13,117)	**(19,614)**	**(1,753)**	**(524)**	**(1,323)**	**(3,877)**	**(12,137)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows	11	52	35	17			
Outflows		(41)	(25)	(16)			
	11	**11**	**10**	**1**			
Total	**(13,106)**	**(19,603)**	**(1,743)**	**(523)**	**(1,323)**	**(3,877)**	**(12,137)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.5 Classification and fair values

	Fair Value Through the Profit or Loss	Held to Maturity	Cash, Loans and Receivables	Other Liabilities	Total Carrying Amount	Fair Value
			(In $ million)			
As of December 31, 2011						
Assets						
Cash and cash equivalents			597		597	597
Current and non-current receivables			1,551		1,551	1,551
Derivative financial assets:						
Commodity contracts	1				1	1
Embedded derivatives	122				122	122
Total assets	**123**		**2,148**		**2,271**	**2,271**
Liabilities						
Bank overdrafts				(3)	(3)	(3)
Trade and other payables				(1,747)	(1,747)	(1,747)
Other non-current payables				(33)	(33)	(33)
Derivative financial liabilities						
Commodity contracts	(16)				(16)	(16)
Loans and borrowings:						
August 2011 Credit Agreement				(4,490)	(4,490)	(4,574)
August 2011 Senior Secured Notes				(1,468)	(1,468)	(1,560)
August 2011 Senior Notes				(972)	(972)	(960)
February 2011 Senior Secured Notes				(999)	(999)	(979)
February 2011 Senior Notes				(993)	(993)	(873)
October 2010 Senior Secured Notes				(1,473)	(1,473)	(1,564)
October 2010 Senior Notes				(1,466)	(1,466)	(1,416)
May 2010 Notes				(980)	(980)	(956)
2009 Notes				(1,642)	(1,642)	(1,758)
Related Party Notes at 8%				(606)	(606)	(527)
Related Party Notes at 9.5%				(530)	(530)	(433)
Pactiv 2012 Notes				(253)	(253)	(249)
Pactiv 2017 Notes				(314)	(314)	(242)
Pactiv 2018 Notes				(17)	(17)	(11)
Pactiv 2025 Notes				(269)	(269)	(187)

Pactiv 2027 Notes		(197)	(197)	(142)
Graham Packaging 2014 Notes		(367)	(367)	(362)
Graham Packaging 2017 Notes		(14)	(14)	(13)
Graham Packaging 2018 Notes		(19)	(19)	(19)
Related party borrowings		(39)	(39)	(39)
Other borrowings		(53)	(53)	(53)
Total liabilities	**(16)**	**(18,944)**	**(18,960)**	**(18,716)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair Value Through the Profit or Loss	Held to Maturity	Cash, Loans and Receivables	Other Liabilities	Total Carrying Amount	Fair Value
			(In $ million)			
As of December 31, 2010						
Assets						
Cash and cash equivalents			663		663	663
Current and non-current receivables			1,192		1,192	1,192
Derivative financial assets:						
Commodity contracts	12				12	12
Embedded derivatives	77				77	77
Total assets	**89**		**1,855**		**1,944**	**1,944**
Liabilities						
Bank overdrafts				(12)	(12)	(12)
Trade and other payables				(1,239)	(1,239)	(1,239)
Other non-current payables				(9)	(9)	(9)
Derivative financial liabilities						
Commodity contracts	(1)				(1)	(1)
Loans and borrowings:						
2009 Credit Agreement				(4,026)	(4,026)	(4,150)
October 2010 Senior Secured Notes				(1,470)	(1,470)	(1,553)
October 2010 Senior Notes				(1,464)	(1,464)	(1,549)
May 2010 Notes				(978)	(978)	(1,015)
2009 Notes				(1,648)	(1,648)	(1,810)
Related Party Notes at 8%				(621)	(621)	(641)
Related Party Notes at 9.5%				(542)	(542)	(575)
Pactiv 2012 Notes				(261)	(261)	(257)
Pactiv 2017 Notes				(316)	(316)	(297)
Pactiv 2018 Notes				(17)	(17)	(15)
Pactiv 2025 Notes				(269)	(269)	(236)
Pactiv 2027 Notes				(197)	(197)	(179)
Related party borrowings				(16)	(16)	(16)
Other borrowings				(32)	(32)	(32)
Total liabilities	**(1)**			**(13,117)**	**(13,118)**	**(13,586)**

The methods used in determining fair values of financial instruments are disclosed in note 5.

29.6 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group s financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
		(In $ million)		
As of December 31, 2011				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**
As of December 31, 2010				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		11		11
Embedded derivatives		77		77
Total		**88**		**88**

There were no transfers between any levels during the periods ended December 31, 2011 and 2010.

30. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is Reynolds Group Holdings Limited, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Transactions with key management personnel

Key management personnel compensation comprised:

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Short-term employee benefits	13	11	8
Management fees		1	3
Total compensation expense to key management personnel	**13**	**12**	**11**

There have been no transactions with key management personnel during the periods ended December 31, 2011, 2010 and 2009.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

30. Related parties (continued)

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the periods are detailed below:

	Transaction Values for the Period Ended December 31,			Balances Outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Transactions with the immediate and ultimate parent companies					
Due to immediate parent(a)				(16)	(16)
Transactions with joint ventures					
Sale of goods and services(b)	131	122	96	25	29
Purchase of goods(b)			(4)		(3)
Sale of non-current assets		7			
Transactions with other related parties					
Trade receivables					
BPC United States Inc.				4	1
Sale of services	3				
Sale of property, plant and equipment(f)		3			
Carter Holt Harvey Limited					1
Sale of goods	3	14			
Carter Holt Harvey Packaging Pty Limited					4
Sale of goods	4	20			
Carter Holt Harvey Pulp & Paper Limited					1
Sale of goods	3	2			
FRAM Group Operations LLC				1	
United Components, Inc				1	
Trade payables					
Beverage Packaging Holdings (Luxembourg) II S.A.		(3)			(3)
BPC United States Inc.					
Management fees		(1)	(3)		
Recharges			(3)		
Carter Holt Harvey Limited				(1)	(1)
Purchase of goods	(10)	(1)			
Purchase of Whakatane Mill(e)		(46)			

Carter Holt Harvey Pulp & Paper Limited				(5)	(3)
Purchase of goods	(38)	(25)			
Rank Group Limited(c)				(41)	(6)
Recharges	(121)	(43)	(16)		
Reynolds Packaging (NZ) Limited			(1)		(1)

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

30. Related parties (continued)

	Transaction Values for the Period Ended December 31,			Balances Outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Dividends paid		(39)			
Loans receivable					
BPC United States Inc.					
Repayments		12			
Reynolds Consumer Products (NZ) Limited					
Interest income		2	1		
Novation of loan		1			
Repayment of loan		61			
Reynolds Treasury (NZ) Limited					
Interest income		1			
Repayments		25			
Loans Payable					
Beverage Packaging Holdings (Luxembourg) II S.A.(g)				(1,136)	(1,163)
Interest payable				(4)	(4)
Interest expense	(109)	(104)	(110)		
Carter Holt Harvey Limited					
Interest expense			(4)		
Evergreen Packaging New Zealand Limited					
Interest expense			(1)		
Reynolds Consumer Products (NZ) Limited					
Interest expense			(6)		
Reynolds Treasury (NZ) Limited(d)				(23)	
Loan advanced	(25)				
Interest expense	(1)		(2)		

(a) The advance due to RGHL accrued interest at a rate based on EURIBOR plus a margin of 2.375%. During the period ended December 31, 2011, interest accrued at rates from 3.38% to 3.93% (2010: 3.01% to 3.32%; 2009: 3.13% to 5.22%). The loan is subordinated to the obligations under the August 2011 Credit Agreement, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 Notes, and is subject to certain other payment restrictions, including in favor of the 2007 Notes under the terms of the inter-creditor arrangements.

(b) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(c) Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

30. Related parties (continued)

(d) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. The loan bears interest at the greater of 2% and the 3 month EURIBOR rate plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties.

(e) On May 4, 2010, the Group acquired the Whakatane Mill for a purchase price of $48 million, being the fair value of the net assets at the date purchased, from Carter Holt Harvey Limited (CHHL). The consideration paid to the seller of the assets was subject to certain post-closing adjustments relating to the closing net working capital, reimbursable wages and other stub period adjustments. The post-closing adjustments resulted in CHHL owing the Group an amount of $2 million which was paid during the period ended December 31, 2010.

(f) On April 29, 2010, Blue Ridge Paper Products Inc. sold land and buildings in Richmond to BPC United States Inc. The consideration paid was the net book value of the assets at the date of sale, being $3 million settled at the date of sale.

(g) Refer to note 25 for further details on the Group s borrowings with BP II.

31. Group entities

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	Ownership Interest (%) 2010	Voting Interest (%) 2011
Alusud Argentina S.R.L	Dec-31	Argentina	100	100	100
Graham Packaging Argentina S.A.(a)	Dec-31	Argentina	100		100
Graham Packaging San Martin S.A.(a)	Dec-31	Argentina	100		100
Lido Plast San Luis S.A.(a)	Dec-31	Argentina	100		100
SIG Combibloc Agrentina S.R.L	Dec-31	Argentina	100	100	100
Whakatane Mill Australia Pty Limited	Dec-31	Australia	100	100	100
SIG Austria Holding GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH & Co. KG	Dec-31	Austria	100	100	100
Gulf Closures W.L.L.(b)	Dec-31	Bahrain	49	49	49
Graham Packaging Belgium N.V.(a)	Dec-31	Belgium	100		100
Graham Packaging Lummen N.V.(a)	Dec-31	Belgium	100		100
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Dec-31	Brazil	100	100	100
Graham Packaging do Brasil Indústria e Comércio Ltda.(a)	Dec-31	Brazil	100		100
Graham Packaging Paraná Ltda.(a)	Dec-31	Brazil	100		100

Resin Rio Comercio Ltda.(a)	Dec-31	Brazil	100		100
SIG Beverages Brasil Ltda.	Dec-31	Brazil	100	100	100
SIG Combibloc do Brasil Ltda.	Dec-31	Brazil	100	100	100
CSI Latin American Holdings Corporation	Dec-31	British Virgin Islands	100	100	100
Reynolds Consumer Products Bulgaria EOOD	Dec-31	Bulgaria	100	100	100
798795 Ontario Limited(c)	Dec-31	Canada		100	
Closure Systems International (Canada) Limited(c)	Dec-31	Canada		100	
Conference Cup Ltd.(d)	Dec-31	Canada	100		100
Dopaco Canada, Inc.(d)	Dec-31	Canada	100		100

F-289

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	2010	Voting Interest (%) 2011
Evergreen Packaging Canada Limited	Dec-31	Canada	100	100	100
Garven Incorporated(d)	Dec-31	Canada	100		100
Graham Packaging Canada Limited(a)	Dec-31	Canada	100		100
Newspring Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(e)	Dec-31	Canada	100		100
Reynolds Food Packaging Canada Inc.(c)	Dec-31	Canada		100	
Crystal Insurance Comp. Ltd.	Dec-31	Channel Islands	100	100	100
SIG Asset Holdings Limited	Dec-31	Channel Islands	100	100	100
Alusud Embalajes Chile Ltda.	Dec-31	Chile	100	100	100
SIG Combibloc Chile Limitada	Dec-31	Chile	100	100	100
Closure Systems International (Guangzhou) Limited	Dec-31	China	100	100	100
Closure Systems International (Wuhan) Limited	Dec-31	China	100	100	100
CSI Closures Systems (Hangzhou) Co., Ltd.	Dec-31	China	100	100	100
CSI Closures Systems (Tianjin) Co., Ltd.	Dec-31	China	100	100	100
Dongguan Pactiv Packaging Co., Ltd	Dec-31	China	51	51	51
Evergreen Packaging (Shanghai) Co., Limited	Dec-31	China	100	100	100
Graham Packaging (Guangzhou) Co. Ltd.(a)	Dec-31	China	100		100
Graham Packaging Trading (Shanghai) Co. Ltd.(a)	Dec-31	China	100		100
Reynolds Metals (Shanghai) Ltd.	Dec-31	China	100	100	100
SIG Combibloc (Suzhou) Co. Ltd.	Dec-31	China	100	100	100
SIG Combibloc Packaging Technology Services (Shanghai) Co. Ltd. (In liquidation)	Dec-31	China	100	100	100
Zhejing Zhongbao Packaging Co., Ltd	Dec-31	China	62.5	62.5	62.5
Alusud Embalajes Colombia Ltda.	Dec-31	Colombia	100	100	100
CSI Closure Systems Manufacturing do Centro America, Sociedad de Responsabilidad Limitada	Dec-31	Costa Rica	100	100	100
SIG Combibloc s.r.o	Dec-31	Czech Republic	100	100	100
Closure Systems International (Egypt) LLC	Dec-31	Egypt	100	100	100
Evergreen Packaging de El Salvador S.A. de C.V.	Dec-31	El Salvador	100	100	100
Graham Packaging Company OY(a)	Dec-31	Finland	100		100
Graham Packaging Europe SNC(a)	Dec-31	France	100		100
Graham Packaging France S.A.S.(a)	Dec-31	France	100		100

Graham Packaging Normandy S.a.r.l.(a)	Dec-31	France	100		100
Graham Packaging Villecomtal S.a.r.l.(a)	Dec-31	France	100		100
SIG Combibloc S.a.r.l	Dec-31	France	100	100	100
Closure Systems International Deutschland GmbH	Dec-31	Germany	100	100	100
Closure Systems International Holdings (Germany) GmbH	Dec-31	Germany	100	100	100
Omni-Pac Ekco Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Omni-Pac Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	Ownership Interest (%) 2010	Voting Interest (%) 2011
Pactiv Deutschland Holdinggesellschaft mbH	Dec-31	Germany	100	100	100
Pactiv Forest Products GmbH	Dec-31	Germany	100	100	100
Pactiv Hamburg Holdings GmbH(f)	Dec-31	Germany		100	
SIG Beverages Germany GmbH	Dec-31	Germany	100	100	100
SIG Combibloc GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Holding GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Systems GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Zerspanungstechnik GmbH	Dec-31	Germany	100	100	100
SIG Euro Holding AG & Co. KGaA	Dec-31	Germany	100	100	100
SIG Information Technology GmbH	Dec-31	Germany	100	100	100
SIG International Services GmbH	Dec-31	Germany	100	100	100
SIG Beteiligungs GmbH (formerly SIG Vietnam Beteiligungs GmbH)(g)	Dec-31	Germany	100	100	100
Closure Systems International (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Evergreen Packaging (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Graham Packaging Asia Limited(a)	Dec-31	Hong Kong	100		100
Roots Investment Holding Private Limited(a)	Dec-31	Hong Kong	100		100
SIG Combibloc Limited	Dec-31	Hong Kong	100	100	100
Closure Systems International Holdings (Hungary) Kft.(h)	Dec-31	Hungary		100	
CSI Hungary Manufacturing and Trading Limited Liability Company	Dec-31	Hungary	100	100	100
SIG Combibloc Kft.	Dec-31	Hungary	100	100	100
Closure Systems International(I) Private Limited	Mar-31	India	100	100	100
SIG Beverage Machinery and Systems (India) Pvt. Ltd. (in liquidation)	Dec-31	India	100	100	100
PT. Graham Packaging Indonesia(a)	Dec-31	Indonesia	100		100
Ha Lakoach He Neeman H Sheeshim Ou Shenayim Ltd.	Dec-31	Israel	100	100	100
Graham Packaging Company Italia S.r.l.(a)	Dec-31	Italy	100		100
SIG Combibloc S.r.l	Dec-31	Italy	100	100	100
S.I.P. S.r.l. Societa Imballaggi Plastici S.r.l. (in liquidation)(a)	Dec-31	Italy	100		100
Closure Systems International Holdings (Japan) KK	Dec-31	Japan	100	100	100

Closure Systems International Japan, Limited	Dec-31	Japan	100	100	100
Graham Packaging Japan Godo Kaisha(a)	Dec-31	Japan	100		100
Closure Systems International Holdings (Korea), Ltd.	Dec-31	Korea	100	100	100
Evergreen Packaging Korea Limited	Dec-31	Korea	100	100	100
SIG Combibloc Korea Ltd.	Dec-31	Korea	100	100	100

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	2010	Voting Interest (%) 2011
Beverage Packaging Factoring (Luxembourg) S.à r.l.(i)	Dec-31	Luxembourg	100		100
Beverage Packaging Holdings (Luxembourg) III S.à r.l	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) IV S.à r.l.(i)	Dec-31	Luxembourg	100		100
Evergreen Packaging (Luxembourg) S.à r.l	Dec-31	Luxembourg	100	100	100
Graham Packaging European Holdings (Luxembourg) S.à r.l.(j)	Dec-31	Luxembourg	100		100
Graham Packaging European Holdings (Luxembourg) I S.à r.l.(j)	Dec-31	Luxembourg	100		100
Reynolds Group Issuer (Luxembourg) S.A.	Dec-31	Luxembourg	100	100	100
SIG Finance (Luxembourg) S.à r.l. (in liquidation)(k)	Dec-31	Luxembourg		100	
Asesores y Consultores Graham, S. de R.L. de C.V.(a)	Dec-31	Mexico	100		100
Bienes Industriales del Norte, S.A. de C.V.	Dec-31	Mexico	100	100	100
CSI En Ensenada, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI En Saltillo, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI Tecniservicio, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Evergreen Packaging Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Graham Packaging Plastic Products de Mexico S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Grupo Corporativo Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Grupo CSI de México, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Maxpack, S. de R.L. de C.V.(m)	Dec-31	Mexico		100	
Middle America M.A., S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Pactiv Foodservice Mexico S. de R.L. de C.V. (formerly Central de Bolsas S. de R.L. de C.V.)(l)	Dec-31	Mexico	100	100	100
Pactiv Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Pactiv North American Holdings, S. de R.L. de C.V. (formerly Pactiv North American Holdings LLC)(u)	Dec-31	Mexico		100	

Reynolds Metals Company de Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Servicio Terrestre Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Graham Packaging, S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Servicios Industriales Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Integrales de Operacion, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Combibloc México, S.A. de C.V.	Dec-31	Mexico	100	100	100

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	2010	Voting Interest (%) 2011
SIG Simonazzi México, S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Tecnicos de Tapas Innovativas, S.A. de C.V.	Dec-31	Mexico	100	100	100
Closures Systems International Nepal Private Limited	Jul-31	Nepal	76	76	76
Beverage Packaging Holdings (Netherlands) B.V.	Dec-31	Netherlands	100	100	100
Closure Systems International B.V.	Dec-31	Netherlands	100	100	100
Evergreen Packaging International B.V.	Dec-31	Netherlands	100	100	100
Graham Packaging Company B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Holdings B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Zoetermeer B.V.(a)	Dec-31	Netherlands	100		100
Pactiv Europe B.V.	Dec-31	Netherlands	100	100	100
Reynolds Consumer Products International B.V	Dec-31	Netherlands	100	100	100
Reynolds Packaging International B.V	Dec-31	Netherlands	100	100	100
SIG Combibloc B.V.	Dec-31	Netherlands	100	100	100
Whakatane Mill Limited	Dec-31	New Zealand	100	100	100
Envases Panama, S.A.(n)	Dec-31	Panama		100	
Alusud Peru S.A.	Dec-31	Peru	100	100	100
Closure Systems International (Philippines), Inc.	Dec-31	Philippines	100	100	100
Graham Packaging Poland SP. Z.O.O.(a)	Dec-31	Poland	100		100
Omni Pac Poland SP. Z.O.O	Dec-31	Poland	100	100	100
SIG Combibloc SP. Z.O.O	Dec-31	Poland	100	100	100
CSI Vostok Limited Liability Company	Dec-31	Russia	100	100	100
OOO SIG Combibloc	Dec-31	Russia	100	100	100
Pactiv Asia Pte Ltd	Dec-31	Singapore	100	100	100
Closure Systems International España, S.L.U	Dec-31	Spain	100	100	100
Closure Systems International Holdings (Spain), S.A.	Dec-31	Spain	100	100	100
Graham Packaging Iberica S.L.(a)	Dec-31	Spain	100		100
Reynolds Food Packaging Spain, S.L.U	Dec-31	Spain	100	100	100
SIG Combibloc S.A.	Dec-31	Spain	100	100	100
SIG Combibloc AB	Dec-31	Sweden	100	100	100
SIG allCap AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Procurement AG	Dec-31	Switzerland	100	100	100
SIG Combibloc (Schweiz) AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Group AG	Dec-31	Switzerland	100	100	100

SIG Reinag AG	Dec-31	Switzerland	100	100	100
SIG Schweizerische Industrie-Gesellschaft AG	Dec-31	Switzerland	100	100	100
SIG Technology AG	Dec-31	Switzerland	100	100	100
Evergreen Packaging (Taiwan) Co. Limited	Dec-31	Taiwan	100	100	100
SIG Combibloc Taiwan Ltd.	Dec-31	Taiwan	100	100	100
SIG Combibloc Ltd.	Dec-31	Thailand	100	100	100

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	Ownership Interest (%) 2010	Voting Interest (%) 2011
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Graham Plastpak Plastik Ambalaj Sanayi A.S.(a)	Dec-31	Turkey	100		100
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Alpha Products (Bristol) Limited	Dec-31	United Kingdom	100	100	100
Closure Systems International (UK) Limited	Dec-31	United Kingdom	100	100	100
Graham Packaging European Services Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging Plastics Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging U.K. Limited(a)	Dec-31	United Kingdom	100		100
IVEX Holdings, Ltd.	Dec-31	United Kingdom	100	100	100
J. & W. Baldwin (Holdings) Limited	Dec-31	United Kingdom	100	100	100
Kama Europe Limited	Dec-31	United Kingdom	100	100	100
Omni-Pac U.K. Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Caerphilly) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Films) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Stanley) Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Pactiv Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Reynolds Consumer Products (UK) Limited	Dec-31	United Kingdom	100	100	100
Reynolds Subco (UK) Limited	Dec-31	United Kingdom	100	100	100
SIG Combibloc Limited	Dec-31	United Kingdom	100	100	100
SIG Holdings (UK) Ltd.	Dec-31	United Kingdom	100	100	100
The Baldwin Group Ltd.	Dec-31	United Kingdom	100	100	100
Baker s Choice Products, Inc.	Dec-31	U.S.A.	100	100	100
BCP/Graham Holdings L.L.C.(a)	Dec-31	U.S.A.	100		100
Blue Ridge Holding Corp.	Dec-31	U.S.A.	100	100	100
Blue Ridge Paper Products Inc.	Dec-31	U.S.A.	100	100	100
BRPP, LLC	Dec-31	U.S.A.	100	100	100
Bucephalas Acquisition Corp.(o)	Dec-31	U.S.A.			
Closure Systems International Americas, Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Packaging Machinery Inc. (formerly Reynolds Packaging Machinery Inc.)(z)	Dec-31	U.S.A.	100	100	100

Closure Systems Mexico Holdings LLC	Dec-31	U.S.A.	100	100	100
Coast-Packaging Company (California General Partnership)(b)	Dec-31	U.S.A.	50	50	50
CSI Mexico LLC	Dec-31	U.S.A.	100	100	100
CSI Sales & Technical Services Inc.	Dec-31	U.S.A.	100	100	100
Dopaco, Inc.(p)	Dec-31	U.S.A.	100		100
Evergreen Packaging Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging International (US) Inc.	Dec-31	U.S.A.	100	100	100

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	Ownership Interest (%) 2010	Voting Interest (%) 2011
Evergreen Packaging USA Inc.	Dec-31	U.S.A.	100	100	100
GPACSUB LLC(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. I(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. II(a)	Dec-31	U.S.A.	100		100
GPC Holdings LLC(a)	Dec-31	U.S.A.	100		100
GPC Merger LLC(a)(q)	Dec-31	U.S.A.			
GPC Opco GP LLC(a)	Dec-31	U.S.A.	100		100
GPC Sub GP LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Acquisition Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging Comerc USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company Europe LLC(r)	Dec-31	U.S.A.	100		100
Graham Packaging Company Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Controllers USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging France Partners(a)	Dec-31	U.S.A.	100		100
Graham Packaging GP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Holdings Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging International Plastics Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Latin America LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LC, L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Leasing USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Minster LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging PET Technologies Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Plastic Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Poland L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Holding Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX, LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Regioplast STS Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Technological Specialties LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging West Jordan, LLC(a)	Dec-31	U.S.A.	100		100
Graham Recycling Company L.P.(a)	Dec-31	U.S.A.	100		100
Newspring Industrial Corp.	Dec-31	U.S.A.	100	100	100

Pactiv Germany Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv LLC (formerly Pactiv Corporation)(s)	Dec-31	U.S.A.	100	100	100
Pactiv Factoring LLC	Dec-31	U.S.A.	100	100	100
Pactiv Management Company LLC	Dec-31	U.S.A.	100	100	100
Pactiv NA II LLC(t)	Dec-31	U.S.A.	100	100	100

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of Incorporation	Ownership Interest (%) 2011	2010	Voting Interest (%) 2011
Pactiv Retirement Administration LLC	Dec-31	U.S.A.	100	100	100
Pactiv RSA LLC	Dec-31	U.S.A.	100	100	100
PCA West Inc.	Dec-31	U.S.A.	100	100	100
Prairie Packaging, Inc.	Dec-31	U.S.A.	100	100	100
PWP Holdings, Inc.	Dec-31	U.S.A.	100	100	100
PWP Industries, Inc.	Dec-31	U.S.A.	100	100	100
RenPac Holdings Inc.(v)	Dec-31	U.S.A.	100		100
Reynolds Consumer Products Holdings LLC (formerly Reynolds Consumer Products Holdings Inc.)(w)	Dec-31	U.S.A.	100	100	100
Reynolds Consumer Products, Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Flexible Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Foil Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Food Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Group Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer LLC	Dec-31	U.S.A.	100	100	100
Reynolds Manufacturing, Inc.(x)	Dec-31	U.S.A.	100		100
Reynolds Packaging Holdings LLC (formerly Reynolds Packaging Inc.)(y)	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Kama Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Services Inc.	Dec-31	U.S.A.	100	100	100
RGHL US Escrow II Inc.(aa)	Dec-31	U.S.A.			
RGHL US Escrow II LLC(cc)	Dec-31	U.S.A.			
RGHL US Escrow Holdings II Inc.(bb)	Dec-31	U.S.A.			
SIG Combibloc Inc.	Dec-31	U.S.A.	100	100	100
SIG Holding USA LLC (formerly SIG Holding USA, Inc.)(dd)	Dec-31	U.S.A.	100	100	100
Southern Plastics, Inc.	Dec-31	U.S.A.	100	100	100
The Corinth and Counce Railroad Company(ee)	Dec-31	U.S.A.		100	
Ultra Pac, Inc.	Dec-31	U.S.A.	100	100	100
Union Packaging LLC(p)(ff)	Dec-31	U.S.A.			
Alusud Venezuela S.A.	Dec-31	Venezuela	100	100	100
Graham Packaging Plasticos de Venezuela C.A.(a)	Dec-31	Venezuela	100		100

SIG Vietnam Ltd.	Dec-31	Vietnam	100	100	100

(a) Acquired as part of the Graham Packaging Acquisition on September 8, 2011.

(b) The Group has control as it has the power to govern the financial and operating policies of the entity.

(c) Amalgamated into a new Pactiv Canada Inc. on July 1, 2011.

(d) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Reynolds Food Packaging Canada Inc.

(e) Incorporated on July 1, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

31. Group entities (continued)

(f) Merged with SIG Beteiligungs GmbH on September 15, 2011.

(g) Changed name to SIG Beteiligungs GmbH on September 15, 2011.

(h) Merged into CSI Hungary Manufacturing and Trading Limited Liability Company on December 31, 2011.

(i) Incorporated on December 21, 2011.

(j) Incorporated on December 20, 2011.

(k) Liquidation was concluded on January 18, 2011 and the company subsequently deregistered.

(l) Changed name to Pactiv Foodservice Mexico, S. de R.L. de C.V. on September 27, 2011.

(m) Merged into Pactiv Foodservice Mexico, S. de R.L. de C.V. on December 31, 2011.

(n) Dissolved on February 11, 2011.

(o) Incorporated on June 13, 2011, and subsequently merged into Graham Packaging Company Inc. on September 8, 2011.

(p) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Pactiv Corporation, now Pactiv LLC.

(q) Merged into Graham Packaging Holdings Company on September 12, 2011.

(r) Incorporated on December 13, 2011.

(s) Converted to a Delaware limited liability company on December 31, 2011 becoming Pactiv LLC.

(t) Incorporated on February 8, 2011.

(u) Redomiciled from U.S.A. to Mexico and transformed to a Mexican company as a S. de R.L. de C.V. , following which Pactiv North American Holdings, S. de R.L. de C.V. and Central de Bolsas, S. de R.L. de C.V. merged, with the latter being the surviving entity. The merger was effective March 29, 2011.

(v) Incorporated on September 29, 2011.

(w) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Consumer Products Holdings LLC.

(x) Incorporated on September 14, 2011.

(y) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Packaging Holdings LLC.

(z) Changed name to Closure Systems International Packaging Machinery Inc. on March 2, 2011.

(aa) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer Inc. on September 8, 2011.

(bb) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Holdings Inc. on September 8, 2011.

(cc) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer LLC on September 8, 2011.

(dd) Converted to a Delaware limited liability company on December 31, 2011 becoming SIG Holding USA, LLC.

(ee) Dissolved on December 6, 2011.

(ff) Sold on May 18, 2011.

32. Business combinations under common control

On May 4, 2010, the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited. At the time of this transaction, both the Group and Evergreen were ultimately 100% owned by

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

32. Business combinations under common control (continued)

Mr. Graeme Hart. The original acquisitions of the Evergreen businesses were completed between January 31, 2007 and August 1, 2007.

On September 1, 2010, the Group acquired the operations of the Reynolds foodservice packaging businesses from subsidiaries of Reynolds (NZ) Limited (Reynolds (NZ)). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Reynolds foodservice packaging businesses was completed on February 29, 2008.

The following table shows the effect of the legal consummation of the acquisitions of Evergreen and the Reynolds foodservice packaging business as of their respective dates of acquisition by the Group:

	Evergreen	Reynolds foodservice packaging	Total
		(In $ million)	
Total consideration*	1,612	342	1,954
Net book value of share capital of the acquired businesses	(713)	(193)	(906)
Difference between total consideration and net book value of share capital of acquired businesses**	**899**	**149**	**1,048**

On November 5, 2009, the Group acquired the business operations of the Closures segment and the Reynolds consumer products business from subsidiaries of Reynolds (NZ). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Closures segment and the Reynolds consumer products business by subsidiaries of Reynolds (NZ) was substantially completed on February 29, 2008. As of November 5, 2009, the effect of the legal consummation of the acquisition was as follows:

	Closures	Reynolds consumer products	Total
		(In $ million)	
Total consideration*	708	984	1,692
Net book value of share capital of the acquired businesses	(467)	(641)	(1,108)
Difference between total consideration and net book value of share capital of the acquired businesses**	**241**	**343**	**584**

* The Group has accounted for the acquisitions under the principles of common control. As a result, the cash acquired as part of the acquisitions is already included in the Group s cash balance and does not form part of the net cash outflow. Further, the results of operations of the businesses acquired are included in the statements of comprehensive income from January 31, 2007 for Evergreen, and from February 29, 2008 for the Closures, Reynolds consumer products, and Reynolds foodservice packaging businesses.

** In accordance with the Group s accounting policy for acquisitions under common control, the difference between the share capital of the acquired businesses and the consideration paid (which represented the fair value) has been recognized directly in equity as part of other reserves. Differences in the consideration paid at the date of the legal acquisition by the Group of these businesses and those amounts paid when originally acquired by entities under the common control of the ultimate shareholder reflect changes in the relative fair value. The changes in fair value of the net assets acquired plus debt issued from the original purchase price relate to indebtedness assumed as well as changes in the underlying value of the equity of the business. The change in the underlying value of the business relates to the realization of the cost savings initiatives and operational synergies combined with improvements in industry and general market conditions.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations

Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the provisional values allocated to assets, liabilities and contingent liabilities as of the date of acquisition:

	Provisional values recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of December 31, 2011(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates and joint ventures	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)

Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net liabilities acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. The depreciation and amortization impact of these provisional changes to fair values was recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as December 31, 2011. Management is in the process of reviewing and finalizing balances. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuation firms, is in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management continues to review underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these provisional purchase accounting allocations will have implications on the measurement of deferred tax assets and liabilities. Management expects to finalize the purchase price allocations by September 8, 2012.

(d) In connection with the acquisition of the Graham Packaging Group, amounts under an existing income tax receivable agreement with certain pre-IPO shareholders became due and payable. Such amounts which were settled after the date of acquisition are reflected in the statement of cash flows as a financing activity.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary fair value assessment.

Acquisition costs of $24 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of Identifiable Intangible Assets	Fair Value (in $ million)	Estimated Useful Life
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful lives are between 10 and 15 years.

Prior to the acquisition, Graham Packaging reported its results under US GAAP. Accordingly, it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Graham Packaging contributed revenues of $967 million, a loss after income tax of $64 million, EBITDA of $105 million and Adjusted EBITDA of $156 million to the Group for the period from September 8, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed on a pro forma basis additional revenue of $2,130 million, a loss after income tax of $277 million, EBITDA of $43 million and Adjusted EBITDA of $388 million. These amounts are immaterial.

Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million, including a $3 million working capital adjustment which was settled in October 2011 (the Dopaco Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration was provided through existing cash.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

Dopaco is a manufacturer of paper cups and folding cartons for the quick-service restaurant and foodservice industries in the United States and Canada. The new product lines complement and enhance the Group s existing product lines, allowing it to offer a broader product range and additional customer relationships. Dopaco is included in the Group s Pactiv Foodservice segment.

The Group finalized the allocation of the purchase price and has reflected this as of the date of acquisition. In undertaking the Group s evaluation of the purchase price as of date of acquisition, management has taken into consideration a number of market participant factors such as historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation technique. The following table presents the preliminary values previously reported as of May 2, 2011, and any adjustments made to those values:

	Provisional Values Recognized on May 2, 2011(a)	Measurement Period Adjustments(b)	Final Purchase Price Allocation
		(In $ million)	
Cash and cash equivalents	3		3
Trade and other receivables	33		33
Assets held for sale	3		3
Deferred tax assets	4		4
Inventories	58	1	59
Property, plant and equipment	152	(28)	124
Intangible assets (excluding goodwill)	16	72	88
Other current and non-current assets	5	1	6
Bank overdrafts	(5)		(5)
Trade and other payables	(20)	(4)	(24)
Deferred tax liabilities	(32)	(8)	(40)
Provisions and employee benefits	(24)	(2)	(26)
Net assets acquired	**193**	**32**	**225**
Goodwill on acquisition	205	(35)	170
Net assets acquired	**398**	**(3)**	**395**
Consideration paid in cash	398	(3)	395
Bank overdraft acquired	2		2
Net cash outflow	**400**	**(3)**	**397**

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to finalizing the values of property, plant and equipment and identifiable intangible assets and the associated deferred taxes thereon. Other measurement period adjustments have arisen from the finalization of reviews of the balance sheet reconciliations as of the date of acquisition. The depreciation and amortization impact from these provisional changes to fair values had been recognized during the period ended December 31, 2011.

Acquisition-related costs of $6 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

The preliminary values attributed to the separately identifiable intangible assets were established shortly after the date of acquisition in May 2011 through the assistance of an external third party valuer. Subsequent to this assessment the Group has verified the reasonableness of all key assumptions including royalty rate, growth rates, business mix and discount rate. This review process involved feedback and further input from a wide range of senior executives which has enabled the Group to further refine the initial assumptions as of the date of acquisition. As a result management has revised and finalized the values initially established for the separately identifiable intangible assets as of the date of acquisition. The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated Useful Life
Customer relationships	77	9 to 14 years
Trade names	6	5 years
Patents	4	10 years
Emission reduction credit	1	Indefinite
	88	

Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers.

Trade name

The Dopaco trade name is a business to business trade name under which the products are sold. The preliminary value of the trade name is being amortized over 5 years as it is a defensible intangible asset.

The goodwill recognized on the acquisition is attributable mainly to the skill of the acquired business work force and the synergies expected to be achieved from integrating Dopaco into the Group. None of the goodwill recognized is expected to be deductible for income tax purposes.

Dopaco contributed revenues of $331 million, profit after income tax of $7 million, EBITDA of $28 million and Adjusted EBITDA of $45 million to the Group for the period from May 2, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed on a pro forma basis additional revenue of $153 million, profit after tax of $5 million, EBITDA of $14 million and Adjusted EBITDA of $17 million. These amounts are unaudited.

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv Corporation (Pactiv) for a purchase price of $4,452 million (the Pactiv Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration and the refinancing of certain borrowings that were acquired was provided through a combination of additional borrowings, additional equity and existing cash.

Pactiv is a leading manufacturer of consumer and foodservice packaging products in the United States. The acquisition of Pactiv brought together two consumer and foodservice packaging platforms. The combination increased the Group s product, geographic and customer diversification and created an extensive and diverse distribution network. The products of the Group and Pactiv are complementary, providing the combined Group with opportunities to generate incremental revenue through cross-selling and category

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

expansion. The Group expects to realize cost savings and operational synergies by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies.

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents, net of bank overdrafts	91
Trade and other receivables	472
Current tax assets	49
Deferred tax assets	27
Inventories	547
Property, plant and equipment	1,429
Intangible assets (excluding goodwill)	2,715
Other current and non-current assets	60
Trade and other payables	(418)
Borrowings	(1,485)
Deferred tax liabilities	(877)
Provisions and employee benefits	(1,071)
Net assets acquired	**1,539**
Non-controlling interests	(18)
Goodwill on acquisition	2,931
Net assets acquired	**4,452**
Consideration paid in cash	4,452
Net cash acquired	(91)
Net cash flow	**4,361**

Acquisition-related costs of $10 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2010.

The Group identified and measured the property, plant and equipment and separately identifiable intangible assets (excluding goodwill) of $1,429 million and $2,715 million, respectively, with the assistance of a third party valuer.

The fair value of trade receivables is $472 million. The gross contractual amount of trade receivables due at acquisition was $517 million, of which $45 million was expected to be uncollectible.

The goodwill of $2,931 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Pactiv into the Group. The synergies largely relate to benefits from (a) large scale efficiencies in integration of sales, marketing and administration functions, information technology resources, and leveraging lean production capabilities across facilities, (b) eight to nine plant closures, (c) one face customer servicing organization, (d) streamlining warehouse and logistics, and (e) centralizing procurement. Except for $514 million, the goodwill recognized is not deductible for income tax purposes.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	**Fair Value (in $ million)**	**Estimated Useful Life**
Trade names indefinite life	1,075	Indefinite
Trade names definite life	39	5 years
Customer relationships	1,321	20 years
Technology	188	7.5 years
Permits	88	Indefinite
Favorable leasehold	4	3 to 8 years
	2,715	

Trade names

The Pactiv Foodservice trade name has been valued as a business to business trade name with an indefinite life. The Hefty trade name has been valued as a consumer trade name with an indefinite life. The Pactiv trade name used in the consumer products business has been valued as a business to business trade name with a five year useful life.

Customer and distributor relationships

Pactiv s operations are characterized by arrangements with customers and distributors for the supply of finished packaging products. The separately identifiable intangible assets reflect the estimated value that is attributable to the existing arrangements and the value that is expected from the on-going relationship.

Technology

Pactiv s operations include certain proprietary knowledge and processes that have been developed internally. The business operates in product categories where customers and end-users value the technology and innovation that Pactiv s custom packaging products offer as an alternative to traditional packaging materials.

Permits

Manufacturers that emit pollutants or use hazardous materials are required to meet various federal and state regulatory requirements and obtain the necessary operating permits. Pactiv has obtained numerous operating permits for its plants over the years. As regulatory requirements have evolved, several of its existing permits have been grandfathered and would be very costly, or even impossible, to obtain today.

The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of the Group s Reynolds Consumer Products and Pactiv Foodservice segments, respectively, since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within each related segment, other than revenue, we are unable to quantify the results of the acquired businesses on a stand-alone basis for the year ended December 31, 2011. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. For the period ended December 31, 2010, Pactiv s revenue, profit from operating activities, EBITDA and Adjusted EBITDA were $3,679 million, $254 million, $465 million and $656 million, respectively. These amounts provided on a pro forma basis are unaudited and include IFRS adjustments and therefore will not agree to historically reported Pactiv results as Pactiv reported its results under U.S. GAAP.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

33. Business combinations (continued)

Closure Systems International Americas, Inc.

On February 1, 2010, the Group purchased 100% of the issued capital of Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. Total consideration for the acquisition was $36 million and was paid in cash. The acquired company was subsequently renamed Closure Systems International Americas, Inc. (CSI Americas).

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents	11
Trade and other receivables	3
Inventories	10
Deferred tax assets	11
Property, plant and equipment	14
Intangible assets (excluding goodwill)	4
Trade and other payables	(7)
Net assets acquired	**46**
Difference between net assets acquired and consideration paid	(10)
Consideration paid, settled in cash	36
Cash acquired	(11)
Net cash outflow	**25**

The acquisition of CSI Americas contributed revenue of $52 million and a net profit of $3 million to the Group for the period ended December 31, 2010. If the purchase had occurred on January 1, 2010, management estimates that CSI Americas would have contributed additional revenue of $4 million, additional EBITDA of $3 million and additional profit after tax of $1 million.

34. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	As of December 31, 2011	2010
	(In $ million)	
Less than one year	111	69
Between 1 and 5 years	247	146
More than 5 years	83	79
Total	**441**	**294**

During the period ended December 31, 2011, $107 million was recognized as an expense in the statement of comprehensive income as a component of the profit or loss in respect of operating leases (2010: $51 million; 2009: $50 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

34. Operating leases (continued)

Leases as lessor

The SIG Combibloc segment leases to customers filling machines under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Less than one year	12	13
Between 1 and 5 years	27	31
More than 5 years	2	3
Total	**41**	**47**

During the period ended December 31, 2011 $15 million was recognized as revenue in the statement of comprehensive income (2010: $21 million; 2009: $17 million).

35. Capital commitments

As of December 31, 2011, the Group had entered into contracts to incur capital expenditure of $106 million (2010: $95 million) for the acquisition of property, plant and equipment. These commitments are expected to be settled in the following financial year.

36. Contingencies

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Contingent liabilities	19	31

The contingent liabilities primarily arise from the guarantees given to banks granting credit facilities to the Group s joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 27, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness as described in note 25.

37. Subsequent events

Financing Transactions

On February 15, 2012, the Group issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Notes). Interest on the February 2012 Notes is paid semi-annually on February 15 and August 15 of each year, commencing August 15, 2012. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the February 2012 Notes to the extent permitted by law.

F-307

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

37. Subsequent events (continued)

The net proceeds from the February 2012 Notes were used to redeem and discharge the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging 2014 Notes and the $249 million outstanding aggregate principal amount of the Pactiv 2012 Notes. The remaining net proceeds from the February 2012 Notes will be used for general corporate purposes.

On March 20, 2012, Graham Packaging Holdings Company and certain of its subsidiaries organized in the United States guaranteed the February 2012 Notes, the Notes, the 2007 Notes and the August 2011 Credit Agreement and provided collateral security for the Secured Notes and the August 2011 Credit Agreement.

Following the guarantee of the August 2011 Credit Agreement by Graham Packaging Holdings Company and certain of its subsidiaries as described above, the requirement to make additional principal amortization payments of $50 million per quarter under the August 2011 Credit Agreement terminated.

Other

In January 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in an estimated gain on sale of $66 million.

Other than the items disclosed above, there have been no events subsequent to December 31, 2011, which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings Group

Interim unaudited combined condensed financial statements for the three month periods ended

March 31, 2012 and March 31, 2011

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of comprehensive income

	Note	For the three month period ended March 31, 2012	2011*
		(In $ million)	
Revenue		3,312	2,367
Cost of sales		(2,714)	(1,924)
Gross profit		**598**	**443**
Other income	7	91	23
Selling, marketing and distribution expenses		(85)	(82)
General and administration expenses		(208)	(151)
Other expenses	8	(70)	(57)
Share of profit of associates and joint ventures, net of income tax		5	6
Profit from operating activities		**331**	**182**
Financial income	9	133	96
Financial expenses	9	(372)	(381)
Net financial expenses		**(239)**	**(285)**
Profit (loss) before income tax		**92**	**(103)**
Income tax (expense) benefit	10	(32)	47
Profit (loss) for the period		**60**	**(56)**
Other comprehensive income (loss) for the period, net of income tax			
Exchange differences on translating foreign operations		1	(119)
Total other comprehensive income (loss) for the period, net of income tax		1	(119)
Total comprehensive income (loss) for the period		**61**	**(175)**
Profit (loss) attributable to:			
Equity holder of the Group		60	(56)
Non-controlling interests			
		60	**(56)**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group		1	(119)
Non-controlling interests			
		1	**(119)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited combined condensed statements of comprehensive income should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of financial position

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
Assets			
Cash and cash equivalents		1,253	597
Trade and other receivables		1,514	1,501
Inventories	11	1,856	1,773
Current tax assets		38	39
Assets held for sale		24	70
Derivatives		4	1
Other assets		67	68
Total current assets		**4,756**	**4,049**
Non-current receivables		47	50
Investments in associates and joint ventures		125	119
Deferred tax assets		51	27
Property, plant and equipment	12	4,508	4,535
Investment properties		30	29
Intangible assets	13	12,477	12,531
Derivatives		210	122
Other assets		148	150
Total non-current assets		**17,596**	**17,563**
Total assets		**22,352**	**21,612**
Liabilities			
Bank overdrafts		3	3
Trade and other payables		1,831	1,747
Liabilities directly associated with assets held for sale			20
Borrowings	14	76	520
Current tax liabilities		128	160
Derivatives		10	16
Employee benefits		198	227
Provisions	15	112	98
Total current liabilities		**2,358**	**2,791**
Non-current payables		40	33
Borrowings	14	17,726	16,641
Deferred tax liabilities		1,568	1,539

Employee benefits		921	934
Provisions	15	131	127
Total non-current liabilities		**20,386**	**19,274**
Total liabilities		**22,744**	**22,065**
Net liabilities		**(392)**	**(453)**
Equity			
Share capital		1,417	1,417
Reserves		(1,251)	(1,252)
Accumulated losses		(580)	(640)
Equity attributable to equity holder of the Group		**(414)**	**(475)**
Non-controlling interests		22	22
Total equity (deficit)		**(392)**	**(453)**

The interim unaudited combined condensed statements of financial position should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Table of Contents

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of changes in equity

	Share capital	Translation of foreign operations	Other reserves	Accumulated losses (In $ million)	Equity attributable to equity holder of the group	Non-controlling interests	Total
Balance at the beginning of the period (January 1, 2011)	1,417	330	(1,561)	(211)	**(25)**	23	**(2)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax*				(56)	**(56)**		**(56)**
Foreign exchange translation reserve		(119)			**(119)**		**(119)**
Total comprehensive income (loss) for the period		**(119)**		**(56)**	**(175)**		**(175)**
Dividends paid to non-controlling interests						(1)	**(1)**
Balance at March 31, 2011	**1,417**	**211**	**(1,561)**	**(267)**	**(200)**	**22**	**(178)**
Balance at the beginning of the period (January 1, 2012)	1,417	309	(1,561)	(640)	**(475)**	22	**(453)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax				60	**60**		**60**
Foreign exchange translation reserve		1			**1**		**1**
Total comprehensive income (loss) for the period		**1**		**60**	**61**		**61**
Balance at March 31, 2012	**1,417**	**310**	**(1,561)**	**(580)**	**(414)**	**22**	**(392)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited combined condensed statements of changes in equity should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Table of Contents

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of cash flows

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Cash flows from operating activities		
Cash received from customers	3,333	2,428
Cash paid to suppliers and employees	(2,897)	(2,229)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Net cash from operating activities	**86**	**169**
Cash flows used in investing activities		
Acquisition of property, plant and equipment and investment properties	(133)	(101)
Proceeds from sale of property, plant and equipment, investment properties and other assets	19	2
Acquisition of intangible assets	(3)	(4)
Disposal of business, net of cash disposed	94	
Disposal of other investments		1
Interest received	1	1
Dividends received from joint ventures	2	2
Net cash used in investing activities	**(20)**	**(99)**
Cash flows from (used in) financing activities		
Drawdown of loans and borrowings:		
February 2012 Senior Notes	1,250	
February 2011 Credit Agreement		2,666
February 2011 Notes		2,000
2009 Credit Agreement		10
Other borrowings	21	
Repayment of loans and borrowings:		
2011 Credit Agreement	(11)	
2009 Credit Agreement		(4,168)
Graham Packaging Notes	(388)	
Pactiv 2012 Notes	(249)	
Other borrowings	(11)	(1)
Payment of transaction costs	(30)	(56)
Dividends paid to related parties and non-controlling interests	(1)	(1)
Net cash from (used in) financing activities	**581**	**450**

Net increase (decrease) in cash and cash equivalents	**647**	**520**
Cash and cash equivalents at the beginning of the period	594	651
Effect of exchange rate fluctuations on cash held	9	11
Cash and cash equivalents at the end of the period	**1,250**	**1,182**
Cash and cash equivalents comprise		
Cash and cash equivalents	1,253	1,186
Bank overdrafts	(3)	(4)
Cash and cash equivalents at the end of the period	**1,250**	**1,182**

The interim unaudited combined condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of cash flows (Continued)

Reconciliation of the profit (loss) for the period with the net cash from operating activities

	For the three month period ended March 31, 2012	2011*
	(In $ million)	
Profit (loss) for the period	60	(56)
Adjustments for:		
Depreciation of property, plant and equipment	191	132
Depreciation of investment properties		1
Amortization of intangible assets	97	71
Asset impairment charges	15	
Net foreign currency exchange loss (gain)	1	4
Change in fair value of derivatives	(9)	(4)
(Gain) loss on sale of property, plant and equipment and non-current assets	(2)	
Gain on sale of businesses	(66)	
Net financial expenses	239	285
Share of profit of equity accounted investees	(5)	(6)
Income tax expense (benefit)	32	(47)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Change in trade and other receivables	12	42
Change in inventories	(78)	(220)
Change in trade and other payables	(26)	37
Change in provisions and employee benefits	(28)	(41)
Change in other assets and liabilities	3	1
Net cash from operating activities	**86**	**169**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The interim unaudited combined condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Table of Contents

Beverage Packaging Holdings Group

Interim unaudited combined condensed statements of cash flows (Continued)

Disposals of businesses

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Inflow (outflow) of cash:		
Cash receipts	80	
Cash received from the repayment of notes receivable for a previously disposed business	14	
	94	
Discharge of notes receivable relating to a previously disposed business	(14)	
Net assets disposed of	**80**	
Details of net assets disposed of:		
Trade and other receivables	11	
Inventories	15	
Other current and non-current assets	7	
Trade and other payables	(13)	
Provisions and employee benefits	(6)	
Net assets disposed of	**14**	
Gain on acquisition	66	
	80	

The interim unaudited combined condensed statements of cash flows should be read in conjunction with the notes to the interim unaudited combined condensed financial statements.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements
For the three month period ended March 31, 2012

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (BP I) and Beverage Packaging Holdings (Luxembourg) II S.A. (BP II) are domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés.

The interim unaudited combined condensed financial statements of Beverage Packaging Holdings Group (the Group) as of March 31, 2012 and for the three month periods ended March 31, 2012 and March 31, 2011 comprise the combination of:

BP I and its subsidiaries and their interests in associates and jointly controlled entities (the BP I Group); and

BP II.

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of BP I and BP II is 6C, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

The interim unaudited combined condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting . The disclosures required in these interim unaudited combined condensed financial statements are less extensive than the disclosure requirements for annual financial statements. The December 31, 2011 statement of financial position as presented in the interim unaudited combined condensed financial statements was derived from the Group s audited financial statements for the year ended December 31, 2011, but does not include the disclosures required by IFRS as issued by the IASB.

The interim unaudited combined condensed financial statements comprise the statements of comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited combined condensed financial statements.

The interim unaudited combined condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited combined condensed financial statements were approved by the Board of Directors (the Directors) on May 14, 2012 in Chicago, Illinois (May 15, 2012 in Auckland, New Zealand).

2.2 Going concern

The interim unaudited combined condensed financial statements have been prepared using the going concern assumption.

2.3 Basis of measurement

The interim unaudited combined condensed financial statements have been prepared under the historical cost convention except for:

- certain components of inventory which are measured at net realizable value;

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

defined benefit pension plan net liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and

certain assets and liabilities, such as derivatives, which are measured at fair value.

2.4 Presentation currency

These interim unaudited combined condensed financial statements are presented in US dollars ($), which is the Group s presentation currency.

2.5 Comparative information

As previously reported, the valuation of the acquired assets and assumed liabilities from the Pactiv Acquisition was finalized in conjunction with the approval of the interim unaudited combined condensed financial statements as of and for the period ended September 30, 2011. This resulted in changes to the preliminary values of certain assets and liabilities recognized at the date of the Pactiv Acquisition on November 16, 2010. The change in values of certain assets resulted in changes to the depreciation and amortization expenses recognized in the period since acquisition. In accordance with the accounting policy described in note 3.1(a) of the financial statements of the Group for the year ended December 31, 2011, all adjustments on finalization of the purchase accounting have been recognized retrospectively to the acquisition date. As a result, certain elements of the interim unaudited combined condensed statement of comprehensive income for the three month period ended March 31, 2011, presented for comparative purposes, have been revised. Cost of sales increased by $7 million, general and administration expenses increased by $5 million and income tax benefit increased by $5 million. The finalization of this purchase accounting had no effect on the Group s statement of cash flows, EBITDA or Adjusted EBITDA for the period ended March 31, 2011.

In connection with the integration of the acquired Pactiv operations into the Reynolds Consumer Products and Pactiv Foodservice segments, the Group has completed a number of internal reorganizations which now enable these segments to report inventory transfers as inter-segment revenue and cost of sales. As a result, the Group revised its policy for recording inventory transfers from the Pactiv Foodservice segment to the Reynolds Consumer Products segment to present the transfers as inter-segment revenue effective in the first quarter of 2012. Prior to this, inter-segment inventory transfers had been recorded within the combined businesses shared balance sheet and not as inter-segment revenue. To conform to the current period presentation, information with respect to business segment reporting as presented for the three month period ended March 31, 2011 has been revised for the Pactiv Foodservice segment. As a result of this revision, inter-segment revenue of the Pactiv Foodservice segment increased by $105 million for the three month period ended March 31, 2011, with a corresponding increase in the corporate inter-segment revenue elimination. The revision had no impact on segment gross profit, profit from operating activities, EBITDA, Adjusted EBITDA and net loss for the three month period ended March 31, 2011, and no impact on the interim unaudited combined condensed statement of cash flows for the three month period ended March 31, 2011.

2.6 Accounting policies and recently issued accounting pronouncements

The accounting policies applied by the Group in the interim unaudited combined condensed financial statements are consistent with those applied by the Group in its annual financial statements for the year ended December 31, 2011.

Recently Issued Accounting Pronouncements

There have been no issued accounting pronouncements during the three month period ended March 31, 2012 that impact the Group. In addition, there have been no material changes to any previously issued

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

accounting pronouncements or, to the Group s evaluation of the related impact, as disclosed by the Group in the annual financial statements for the year ended December 31, 2011.

3. Use of estimates and judgments

In the preparation of the interim unaudited combined condensed financial statements, the Directors and management have made certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

3.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill and indefinite life intangible assets are impaired requires estimation of the recoverable values of the cash generating units (CGU) to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the CGU being reviewed). Significant judgment is involved in estimating the fair value of a CGU. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group s intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

3.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Group s provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

3.3 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than 12 months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of March 31, 2012, certain amounts presented for the acquisition of Graham Packaging have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a) of the annual financial statements of the Group for the year ended December 31, 2011, any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively to the date of acquisition.

4. Seasonality and Working Capital Fluctuations

Our business is impacted by seasonal fluctuations.

SIG

SIG s operations are moderately seasonal. SIG s customers are principally engaged in providing products such as beverages and food that are generally less sensitive to seasonal effects, although SIG experiences some seasonality as a result of increased consumption of juices and tea during the summer months in Europe. SIG therefore typically experiences a greater level of carton sleeve sales in the second and third quarters. Sales in the fourth quarter can increase due to additional purchases by customers prior to the end of the year to achieve annual volume rebates that SIG offers.

Evergreen

Evergreen s operations are moderately seasonal. Evergreen s customers are principally engaged in providing products that are generally less sensitive to seasonal effects, although Evergreen does experience some seasonality as a result of increased consumption of milk by school children during the North American academic year. Evergreen therefore typically experiences a greater level of carton product sales in the first and fourth quarters when North American schools are in session.

Closures

Closures operations are moderately seasonal. Closures experiences some seasonality as a result of increased consumption of bottled beverages during the summer months. In order to avoid capacity shortfalls in the summer months, Closures customers typically begin building inventories in advance of the summer season. Therefore, Closures typically experiences a greater level of closure sales in the second and third quarters in the Northern Hemisphere, which represented 83% of Closures total revenue in 2011, and in the fourth and first quarters in the Southern Hemisphere, which represented 17% of Closures total revenue in 2011.

Reynolds Consumer Products

Reynolds Consumer Products operations are moderately seasonal based on the different product lines. Sales in cooking products are typically higher in the fourth quarter of the year, primarily due to the holiday use of Reynolds Wrap foil, Reynolds Oven Bags and Reynolds Parchment Paper. Sales in waste and storage

F-319

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

products are typically higher in the second half of the year in North America, coinciding with the harvest season and outdoor fall cleanup.

Pactiv Foodservice

Pactiv Foodservice s operations are moderately seasonal, peaking during the summer and fall months in the Northern Hemisphere when the favorable weather, harvest, and the holiday season lead to increased consumption. Pactiv Foodservice therefore typically experiences a greater level of sales in the second through fourth quarters.

Graham Packaging

Graham Packaging s operations are slightly seasonal with higher levels of unit volume sales in the second and third quarters. Graham Packaging experiences some seasonality of bottled beverages during the summer months, most significantly in North America. Typically the business begins to build inventory in the first and early second quarters to prepare for the summer demand.

5. Financial risk management

5.1 Financial risk factors

Exposure to market risk (including currency risk, interest rate risk and commodity prices), credit risk and liquidity risk arises in the normal course of the Group s business. During the three month period ended March 31, 2012, the Group continued to apply the risk management objectives and policies which were disclosed in the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited combined condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group s annual financial statements for the year ended December 31, 2011.

5.2 Liquidity risk

As described in note 14, during the three month period ended March 31, 2012, the Group issued the February 2012 Senior Notes. As a result of the notes issuance and other changes in borrowings, the Group s contractual cash flows related to total borrowings as of March 31, 2012 are as follows:

	Total debt and interest	Less than one year	One to three years	Three to five years	Greater than five years
			(In $ million)		
March 31, 2012*	28,097	1,500	2,928	5,848	17,821
December 31, 2011*	26,635	1,878	3,453	5,841	15,463

* The interest rates on the floating rate debt balances have been assumed to be the same as the rates as of March 31, 2012 and December 31, 2011, respectively.

Trade and other payables that are due for payment in less than one year were $1,831 million and $1,747 million as of March 31, 2012 and December 31, 2011, respectively.

There have been no other significant changes in the contractual cash flows of the Group s other financial liabilities.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

5.3 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group s financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
		(In $ million)		
March 31, 2012				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(6)		(6)
Embedded derivatives		210		210
Total		**204**		**204**
December 31, 2011				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**

There were no transfers between any levels during the three month period ended March 31, 2012. There have been no changes in the classifications of financial assets as a result of a change in the purpose or use of these assets.

6. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and to assess its performance.

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s reportable business segments under IFRS 8 are as follows:

SIG SIG is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

Reynolds Consumer Products Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 18).

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group s accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenues and expenses, financial income and expenses and income tax benefit and expense.

The CODM assesses the performance of the operating segments based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, non-cash pension income or expense, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm s-length basis.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

Business segment reporting

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Total external revenue	467	386	293	555	816	795		3,312
Total inter-segment revenue		17	3	18	104		(142)	
Total segment revenue	**467**	**403**	**296**	**573**	**920**	**795**	**(142)**	**3,312**
Gross profit	105	55	53	158	146	83	(2)	598
Expenses and other income	(72)	(14)	(26)	(56)	(29)	(65)	(10)	(272)
Share of profit of associates and joint ventures	5							5
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Financial income								133
Financial expenses								(372)
Profit before income tax								**92**
Income tax benefit								(32)
Profit after income tax								**60**
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Depreciation and amortization	62	14	19	32	68	93		288
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions between segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	For the three month period ended March 31, 2012							
	SIG	**Evergreen**	**Closures**	**Reynolds Consumer Products**	**Pactiv Foodservice**	**Graham Packaging**	**Corporate/ unallocated***	**Total**
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**
Included in EBITDA:								
Asset impairment charges					10	5		**15**
Business acquisition and integration costs				1	11	6	2	**20**
Equity method (profit)/losses not distributed in cash	(3)							**(3)**
Gain on sale of businesses					(66)			**(66)**
Non-cash pension expense (income)							(13)	**(13)**
Non-cash inventory charge				3	6			**9**
Operational process engineering-related consultancy costs					2			**2**
Restructuring costs/(recoveries)	16				3	8		**27**
SEC registration costs							4	**4**
Unrealized (gain)/loss on derivatives	(3)		(4)	(2)				**(9)**
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**110**	**55**	**42**	**136**	**151**	**130**	**(19)**	**605**
Segment assets as of March 31, 2012	3,209	1,394	1,799	5,139	5,731	4,333	747	22,352

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of March 31, 2012, Corporate / unallocated includes $1,563 million of provisional goodwill related to the Graham Packaging Acquisition (refer to note 18) that has not yet been allocated to the operating segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	For the three month period ended March 31, 2011							
	SIG	**Evergreen**	**Closures**	**Reynolds Consumer Products**	**Pactiv Foodservice**	**Graham Packaging**	**Corporate/ unallocated***	**Total**
	(In $ million)							
Total external revenue	461	382	292	529	703			2,367
Total inter-segment revenue		7	3	12	114		(136)	
Total segment revenue	**461**	**389**	**295**	**541**	**817**		**(136)**	**2,367**
Gross profit	102	63	42	128	108			443
Expenses and other income	(60)	(14)	(24)	(65)	(100)		(4)	(267)
Share of profit of associates and joint ventures	6							6
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Financial income								96
Financial expenses								(381)
Profit before income tax								**(103)**
Income tax expense								47
Profit after income tax								**(56)**
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Depreciation and amortization	62	15	19	37	70			203
Earnings before interest, tax, depreciation and amortization (EBITDA)	**110**	**64**	**37**	**100**	**78**		**(4)**	**385**
Included in EBITDA:								
Business acquisition and integration costs					2			2
	(4)							(4)

Equity method profit not distributed in cash								
Gain on sale of businesses								
Non-cash pension expense (income)				1	2		(15)	(12)
Operational process engineering-related consultancy costs				1	3		1	5
Restructuring costs	1		1	9	23		12	46
Unrealized gain on derivatives		(1)		(1)	(2)			(4)
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**107**	**63**	**38**	**110**	**106**		**(6)**	**418**
Segment assets as of December 31, 2011	3,218	1,373	1,759	4,882	5,826	4,305	249	21,612

F-325

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The inter-segment revenue for the three month period ended March 31, 2011 has been revised to conform to the presentation of the three month period ended March 31, 2012. Refer to note 2.5.

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition that has not yet been allocated to the operating segments.

7. Other income

	For the three month period ended March 31,	
	2012	**2011**
	(In $ million)	
Gain on sale of business	66	
Income from facility management	1	3
Rental income from investment properties		2
Royalty income	1	1
Sale of by-products	6	7
Unrealized gains on derivatives	9	4
Other	8	6
Total other income	**91**	**23**

During the three month period ended March 31, 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in a gain on sale of $66 million.

8. Other expenses

For the three month period ended
March 31,

	2012	2011
	(In $ million)	
Asset impairment charges	(15)	
Business acquisition and integration costs	(20)	(2)
Net foreign currency exchange loss	(1)	(4)
Operational process engineering-related consultancy costs	(2)	(5)
Restructuring costs	(27)	(46)
SEC registration costs	(4)	
Other	(1)	
Total other expenses	**(70)**	**(57)**

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

9. Financial income and expenses

	Note	For the three month period ended March 31, 2012	2011
		(In $ million)	
Interest income		1	1
Net gain in fair values of derivatives		81	
Net foreign currency exchange gain		51	95
Financial income		**133**	**96**
Interest expense:			
August 2011 Credit Agreement		(76)	
February 2011 Credit Agreement			(16)
2009 Credit Agreement			(29)
February 2012 Senior Notes		(15)	
August 2011 Notes		(54)	
February 2011 Notes		(39)	(25)
October 2010 Notes		(64)	(61)
May 2010 Senior Notes		(24)	(21)
2009 Senior Secured Notes		(33)	(35)
2007 Notes		(26)	(27)
Pactiv 2012 Notes		(3)	(4)
Pactiv 2017 Notes		(6)	(6)
Pactiv 2025 Notes		(6)	(6)
Pactiv 2027 Notes		(4)	(4)
Graham Packaging 2014 Notes		(7)	
Amortization of:			
Debt issuance costs			
August 2011 Credit Agreement		(2)	
2009 Credit Agreement(a)			(86)
August 2011 Notes		(1)	
October 2010 Notes		(2)	(3)
May 2010 Senior Notes		(1)	(1)
2009 Senior Secured Notes		(2)	(2)
2007 Notes		(1)	(1)
Fair value adjustment on acquired notes		10	2
Original issue discounts(a)		(2)	(38)
Embedded derivatives		8	2
Net loss in fair values of derivatives			(18)

Premium on extinguishment of debt	(17)	
Other	(5)	(2)
Financial expenses	**(372)**	**(381)**
Net financial expenses	**(239)**	**(285)**

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes and the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance cost of \$86 million and unamortized original issue discount of \$38 million related to the 2009 Credit Agreement were expensed during the three month period ended March 31, 2011. Refer to note 14 for details of the Group s borrowings.

10. Income tax

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Reconciliation of effective tax rate		
Profit (loss) before income tax	**92**	**(103)**
Income tax benefit (expense) using the New Zealand tax rate of 28%	(26)	29
Effect of differences in foreign jurisdictions	(1)	15
Effect of tax rates in state and local tax	(2)	3
Non-deductible expenses and permanent differences	1	(2)
Withholding tax	(4)	(2)
Tax rate modifications		(1)
Recognition of previously unrecognized tax losses and temporary differences	8	17
Unrecognized tax losses and temporary differences	(9)	(7)
Tax uncertainties	1	(1)
Other		(4)
Total income tax (expense) benefit	**(32)**	**47**

11. Inventories

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
Raw materials and consumables	498	556
Work in progress	261	229
Finished goods	1,012	898

Engineering and maintenance materials	157	159
Provision against inventories	(72)	(69)
Total inventories	**1,856**	**1,773**

During the three month period ended March 31, 2012, the raw materials elements of inventory recognized as a component of cost of sales totaled $1,668 million (2011: $1,166 million).

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

12. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Finance leased assets	Total
				(In $ million)			
Cost	241	1,027	4,111	362	349	28	6,118
Accumulated depreciation		(201)	(1,221)		(164)	(5)	(1,591)
Accumulated impairment losses	(2)	(5)	(12)				(19)
Balance as of March 31, 2012	**239**	**821**	**2,878**	**362**	**185**	**23**	**4,508**
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Balance as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**

The total depreciation charge of $191 million and $132 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $184 million; March 31, 2011: $126 million), selling, marketing and distribution expenses (March 31, 2012: $1 million; March 31, 2011: $1 million) and general and administration expenses (March 31, 2012: $6 million; March 31, 2011: $5 million).

During the three month period ended March 31, 2012, $14 million of impairment charges were recognized (three month period ended March 31, 2011: none.)

The Group leases plant and equipment under finance leases. The leased plant and equipment secures the lease obligations.

Refer to note 14 for details of security granted over property, plant and equipment and other assets.

13. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total
			(In $ million)			

Cost	6,291	2,071	3,785	1,101	244	13,492
Accumulated amortization		(27)	(510)	(362)	(116)	(1,015)
Balance as of March 31, 2012	**6,291**	**2,044**	**3,275**	**739**	**128**	**12,477**
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Balance as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**

The total amortization charge of $97 million and $71 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $29 million; March 31, 2011: $22 million) and general and administration expenses (March 31, 2012: $68 million; March 31, 2011: $49 million).

Intangible assets include unallocated goodwill of $1,563 million in respect of the Graham Packaging Acquisition that has been determined on a provisional basis. Refer to note 18 regarding the details of the purchase price allocation and associated impact on the Group s financial statements.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

13.1 Impairment testing for CGUs containing indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangible assets with indefinite useful lives and are therefore not subject to amortization. Instead, recoverable amounts are calculated annually as well as whenever there is an indication that they may be impaired. There were no indicators of impairment as of March 31, 2012.

14. Borrowings

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
August 2011 Credit Agreement(a)(u)		47	247
Pactiv 2012 Notes(m)(y)			253
Other borrowings(aa)		29	20
Current borrowings		**76**	**520**
August 2011 Credit Agreement(a)(u)		4,444	4,243
February 2012 Senior Notes(b)(v)		1,222	
August 2011 Senior Secured Notes(c)(w)		1,469	1,468
August 2011 Senior Notes(d)(w)		972	972
February 2011 Senior Secured Notes(e)(w)		999	999
February 2011 Senior Notes(f)(w)		993	993
October 2010 Senior Secured Notes(g)(w)		1,473	1,473
October 2010 Senior Notes(h)(w)		1,467	1,466
May 2010 Senior Notes(i)(w)		981	980
2009 Senior Secured Notes(j)(w)		1,663	1,642
2007 Senior Notes(k)(x)		626	606
2007 Senior Subordinated Notes(l)(x)		548	530
Pactiv 2017 Notes(n)(y)		314	314
Pactiv 2018 Notes(o)(y)		17	17
Pactiv 2025 Notes(p)(y)		269	269
Pactiv 2027 Notes(q)(y)		197	197
Graham Packaging 2014 Notes(r)(z)			367
Graham Packaging 2017 Notes(s)(z)			14
Graham Packaging 2018 Notes(t)(z)			19
Related party borrowings	17	41	39
Other borrowings(aa)		31	33
Non-current borrowings		**17,726**	**16,641**
Total borrowings		**17,802**	**17,161**

F-330

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,572	4,574
Debt issuance costs	(63)	(65)
Original issue discount	(18)	(19)
Carrying amount	**4,491**	**4,490**
(b) February 2012 Senior Notes	1,250	
Debt issuance costs	(34)	
Embedded derivative	6	
Carrying amount	**1,222**	
(c) August 2011 Senior Secured Notes	1,500	1,500
Debt issuance costs	(33)	(33)
Original issue discount	(10)	(11)
Embedded derivative	12	12
Carrying amount	**1,469**	**1,468**
(d) August 2011 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(27)
Original issue discount	(7)	(7)
Embedded derivative	6	6
Carrying amount	**972**	**972**
(e) February 2011 Senior Secured Notes	1,000	1,000
Debt issuance costs	(15)	(15)
Embedded derivative	14	14
Carrying amount	**999**	**999**
(f) February 2011 Senior Notes	1,000	1,000
Debt issuance costs	(17)	(17)
Embedded derivative	10	10
Carrying amount	**993**	**993**
(g) October 2010 Senior Secured Notes	1,500	1,500
Debt issuance costs	(35)	(35)

Embedded derivative	8	8
Carrying amount	**1,473**	**1,473**
(h) October 2010 Senior Notes	1,500	1,500
Debt issuance costs	(42)	(43)
Embedded derivative	9	9
Carrying amount	**1,467**	**1,466**

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(i) May 2010 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(28)
Embedded derivative	8	8
Carrying amount	**981**	**980**
(j) 2009 Senior Secured Notes	1,726	1,707
Debt issuance costs	(57)	(59)
Original issue discount	(16)	(17)
Embedded derivative	10	11
Carrying amount	**1,663**	**1,642**
(k) 2007 Senior Notes	641	621
Debt issuance costs	(15)	(15)
Carrying amount	**626**	**606**
(l) 2007 Senior Subordinated Notes	561	544
Debt issuance costs	(13)	(14)
Carrying amount	**548**	**530**
(m) Pactiv 2012 Notes		249
Fair value adjustment at acquisition		4
Carrying amount		**253**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	14
Carrying amount	**314**	**314**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**

(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes		355
Fair value adjustment at acquisition		5
Embedded derivative		7
Carrying amount		**367**

F-332

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(s) Graham Packaging 2017 Notes		14
Carrying amount		**14**
(t) Graham Packaging 2018 Notes		19
Carrying amount		**19**

(u) August 2011 Credit Agreement

RGHL and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined in the Group s annual financial statements for the year ended December 31, 2011). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity date	Original facility value	Value drawn or utilized at March 31, 2012	Applicable interest rate for the three month period ended March 31, 2012
		(In $ million)		
Term Tranches				
Tranche B Term Loan ($)	February 9, 2018	2,325	2,277	6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,969	6.500%
European Term Loan ( )	February 9, 2018	250	245	6.750%
Revolving Tranches(1)				
Revolving Tranche ($)	November 5, 2014	120	79	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

RGHL and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Senior Secured Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (each as defined below, and together the Secured Notes).

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. The additional principal amortization payments of $50 million per quarter are no longer applicable as, effective March 2012, the Graham Packaging Holdings Company and certain of its subsidiaries now guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries, and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of March 31, 2012, RGHL and the Group were in compliance with all of the covenants.

(v) February 2012 Senior Notes

On February 15, 2012, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together, the Reynolds Issuers) issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Senior Notes). Interest is paid semi-annually on February 15 and August 15, commencing August 15, 2012.

(w) Additional notes outstanding

Certain of the Group s borrowings issued by the Reynolds Issuers are summarized below:

	Currency	Issue date	Principal amounts issued (in million)	Interest rate	Maturity date	Semi-annual interest payment dates
August 2011 Senior Secured Notes	$	August 9, 2011	1,500	7.875%	August 15, 2019	February 15 and August 15
August 2011 Senior Notes	$	August 9, 2011	1,000	9.875%	August 15, 2019	February 15 and August 15
February 2011 Senior Secured Notes	$	February 1, 2011	1,000	6.875%	February 15, 2021	February 15 and August 15
February 2011 Senior Notes	$	February 1, 2011	1,000	8.250%	February 15, 2021	February 15 and August 15
October 2010 Senior Secured Notes	$	October 15, 2010	1,500	7.125%	April 15, 2019	April 15 and October 15
October 2010 Senior Notes	$	October 15, 2010	1,500	9.000%	April 15, 2019	April 15 and October 15
May 2010 Senior Notes	$	May 4, 2010	1,000	8.500%	May 15, 2018	May 15 and November 15
	$	November 5, 2009	1,125	7.750%		

2009 Senior Secured Notes (Dollar)				October 15, 2016	April 15 and October 15
2009 Senior Secured Notes (Euro)	November 5, 2009	450	7.750%	October 15, 2016	April 15 and October 15

The August 2011 Senior Secured Notes and the August 2011 Senior Notes are collectively defined as the August 2011 Notes . The February 2011 Senior Secured Notes and the February 2011 Senior Notes are collectively defined as the February 2011 Notes . The October 2010 Senior Secured Notes and the October 2010 Senior Notes are collectively defined as the October 2010 Notes . The 2009 Senior Secured Notes (Dollar) and the 2009 Senior Secured Notes (Euro) are collectively defined as the 2009 Senior Secured Notes .

Assets pledged as security for loans and borrowings

The shares in BP I have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, BP I and certain subsidiaries of BP I have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

Terms governing the Notes

As used herein Notes refers to the February 2012 Senior Notes, the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Senior Notes and the 2009 Senior Secured Notes.

Additional information regarding the Notes

The guarantee and security arrangements, indenture restrictions, early redemption options and change in control provisions for the February 2012 Senior Notes are consistent with the other series of Notes, which are unchanged from December 31, 2011.

U.S. Securities and Exchange Commission registration rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the May 2010 Senior Notes commenced on May 4, 2011 and ended on May 4, 2012. For the three month period ended March 31, 2012, the Group expensed additional interest of $1 million, $4 million, and $2 million related to the February 2011 Notes, the October 2010 Notes, and the May 2010 Senior Notes, respectively. As of March 31, 2012, the accrued additional interest related to these series of notes was $10 million.

(x) 2007 Notes

On June 29, 2007, BP II issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15.

The guarantee and security arrangements, indenture restrictions, and change of control provisions are unchanged from December 31, 2011.

(y) Pactiv Notes

As of March 31, 2012, the Group had outstanding the following notes issued by Pactiv LLC (formerly Pactiv Corporation) (defined below, and together the Pactiv Notes):

	Currency	Date acquired by the group	Principal amounts outstanding (In $ million)	Interest rate	Maturity date	Semi-annual interest payment dates
Pactiv 2017 Notes	$	November 16, 2010	300	8.125%	June 15, 2017	June 15 and December 15
Pactiv 2018 Notes	$	November 16, 2010	16	6.400%	January 15, 2018	January 15 and July 15
Pactiv 2025 Notes	$	November 16, 2010	276	7.950%	December 15, 2025	June 15 and December 15
Pactiv 2027 Notes	$	November 16, 2010	200	8.375%	April 15, 2027	April 15 and October 15

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

The guarantee arrangements, indenture restrictions, and redemption terms are unchanged from December 31, 2011.

During the three month period ended March 31, 2012, the Group redeemed and discharged the Pactiv 2012 Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(z) Graham Packaging Notes

During the three month period ended March 31, 2012, the Group redeemed and discharged the Graham Packaging Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(aa) Other borrowings

As of March 31, 2012, in addition to the August 2011 Credit Agreement, the Notes, the 2007 Notes, and the Pactiv Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of March 31, 2012, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of March 31, 2012, the secured facilities were utilized in the amount of $32 million (December 31, 2011: $25 million) in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other borrowings as of March 31, 2012, also included finance lease obligations of $28 million (December 31, 2011: $28 million).

15. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Current	7	13	46	23	23	112
Non-current	30		3	25	73	131
Balance as of March 31, 2012	**37**	**13**	**49**	**48**	**96**	**243**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**

The restructuring actions across the Group have resulted in the recognition of $27 million and $45 million of restructuring expenses for the three month periods ended March 31, 2012 and March 31, 2011, respectively. These restructuring expenses are primarily related to employee severance and have been or will be settled in cash.

The main components of other provisions are lease provisions and environmental remediation provisions. Other provisions at March 31, 2012 included $27 million related to make good obligations with respect to leases assumed as part of the Pactiv, Graham Packaging and Dopaco Acquisitions, $17 million related to asset

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

retirement obligations, which were assumed in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $9 million related to environmental remediation programs.

16. Equity

16.1 Share capital

Beverage Packaging Holdings (Luxembourg) I S.A.

Number of Shares	For the three month period ended March 31, 2012	For the twelve month period ended December 31, 2011
Balance at the beginning of the period	13,063,527	13,063,527
Issue of shares		
Balance	13,063,527	13,063,527

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to BP I s residual assets in the event of a wind-up.

Beverage Packaging Holdings (Luxembourg) II S.A.

Number of Shares	For the three month period ended March 31, 2012	For the twelve month period ended December 31, 2011
Balance at the beginning of the period	1,000	1,000
Issue of shares		
Balance	1,000	1,000

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to BP II s residual assets in the event of a wind-up.

16.2 Other reserves

The interim unaudited combined condensed statement of financial position as of March 31, 2012 presents negative equity of $392 million compared to negative equity of $453 million as of December 31, 2011. The reduction in negative equity is primarily attributable to the current period profit. Total equity had been reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction in equity. As of March 31, 2012, the common control transactions had generated a reduction in equity of $1,561 million.

16.3 Dividends

There were no dividends declared or paid during the three month period ended March 31, 2012 (2011: none) by BP I or BP II.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

17. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is RGHL, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the three month periods ended March 31, 2012 and 2011, are detailed below:

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
	2012	2011	March 31, 2012	December 31, 2011
			(In $ million)	
Transactions with the immediate and ultimate parent companies				
Loan payable to immediate parent(a)			(17)	(16)
Transactions with joint ventures				
Sale of goods(b)	42	25	36	25
Purchase of goods(b)		(4)		
Transactions with other related parties				
Trade receivables				
BPC United States Inc.			4	4
Sale of services		1		
Carter Holt Harvey Limited				
Sale of goods		2		
Carter Holt Harvey Packaging Pty Limited				
Sale of goods		4		
Carter Holt Harvey Pulp & Paper Limited				
Sale of goods	1	1		
FRAM Group Operations LLC			1	1
United Components, Inc.			1	1
Trade payables				
Carter Holt Harvey Limited				(1)

Purchase of goods	(3)			
Carter Holt Harvey Pulp and Paper Limited			(3)	(5)
Purchase of goods	(7)	(9)		
Rank Group Limited			(46)	(41)
Recharges(c)	(9)	(9)		
Rank Group North America Inc.				
Recharges(d)	(7)			
Loans payable				
Reynolds Treasury (NZ) Limited(e)			(24)	(23)

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
	2012	2011	March 31, 2012	December 31, 2011
		(In $ million)		
Payable related to transfer of tax losses to:				
Evergreen Packaging New Zealand Limited			(3)	
Transfer of tax losses	(3)			
Reynolds Packaging Group (NZ) Limited			(7)	
Transfer of tax losses	(7)			

(a) The advance due to RGHL accrued interest at a rate based on EURIBOR plus a margin of 2.375%. During the three month period ended March 31, 2012, interest accrued at a rate of 3.72% (2011: 3.38%). The loan is subordinated to the obligations under the August 2011 Credit Agreement, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, and the 2009 Senior Secured Notes, and is subject to certain other payment restrictions, including in favor of the 2007 Notes under the terms of the inter-creditor arrangements.

(b) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(c) Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) Represents certain costs paid by Rank Group North America Inc. on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to services provided.

(e) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. The loan bears interest at the greater of 2% and the 3 month EURIBOR rate, plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties.

18. Business combinations

18.1 Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million.

The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the values allocated to assets, liabilities and contingent liabilities as of the date of acquisition. As noted in the table below, certain assets and liabilities have been recognized on a provisional basis. In respect of the preliminary valuations of property, plant and equipment and

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

intangible assets (excluding goodwill), management, with the assistance of third party valuers, is still in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management is continuing to review the underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these preliminary purchase price allocations will have implications on the measurement of deferred tax assets and liabilities. The preliminary valuations will be finalized no later than September 8, 2012.

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net assets (liabilities) acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. All measurement period adjustments were recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as March 31, 2012. Management is in the process of reviewing and finalizing balances.

Table of Contents

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market- based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary assessment.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of identifiable intangible assets	**Fair value (In $ million)**	**Estimated useful lives**
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful life is between 10 and 15 years.

Prior to the acquisition, Graham Packaging reported its results under US GAAP. Accordingly, it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Beverage Packaging Holdings Group

Notes to the interim unaudited combined condensed financial statements (Continued)
For the three month period ended March 31, 2012

Graham Packaging contributed revenues of $795 million, loss after income tax of $28 million, EBITDA of $111 million, and Adjusted EBITDA of $130 million to the Group for the period from January 1, 2012 to March 31, 2012. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed revenue of $757 million, profit after income tax of $8 million, EBITDA of $123 million and Adjusted EBITDA of $135 million in the three month period ended March 31, 2011.

18.2 Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million (the Dopaco Acquisition). As reported in the annual financial statements for the year ended December 31, 2011, the allocation of the purchase price as of the date of acquisition has been finalized. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed additional revenue of $108 million, profit after income tax of $2 million, EBITDA of $9 million and Adjusted EBITDA of $12 million in the three month period ended March 31, 2011.

19. Contingencies

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 15, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness described in note 14.

20. Subsequent events

There have been no events subsequent to March 31, 2012 which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings Group

Financial statements for the period ended

December 31, 2011

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Shareholder and Boards of Directors of Beverage Packaging Holdings (Luxembourg) I S.A. and Beverage Packaging Holdings (Luxembourg) II S.A.:

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Beverage Packaging Holdings Group and its subsidiaries (the Group) at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Group s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
March 28, 2012

Table of Contents

Beverage Packaging Holdings Group

Statements of comprehensive income

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Revenue	7	11,789	6,774	5,910
Cost of sales	*	(9,725)	(5,524)	(4,691)
Gross profit		**2,064**	**1,250**	**1,219**
Other income	8	87	102	201
Selling, marketing and distribution expenses	*	(347)	(231)	(211)
General and administration expenses	*	(626)	(388)	(366)
Other expenses	10	(268)	(80)	(96)
Share of profit of associates and joint ventures, net of income tax	23	17	18	11
Profit from operating activities		**927**	**671**	**758**
Financial income	12	6	52	9
Financial expenses	12	(1,420)	(750)	(496)
Net financial expenses		(1,414)	(698)	(487)
Income (loss) before income tax		**(487)**	**(27)**	**271**
Income tax benefit (expense)	13	60	(75)	(148)
Profit (loss) for the period		**(427)**	**(102)**	**123**
Other comprehensive income (loss) for the period, net of income tax				
Cash flow hedges				12
Exchange differences on translating foreign operations		(22)	227	71
Transfers from foreign currency translation reserve to profit and loss			49	
Total other comprehensive income (loss) for the period, net of income tax	14	(22)	276	83
Total comprehensive income (loss) for the period		**(449)**	**174**	**206**
Profit (loss) attributable to:				
Equity holder of the Group		(429)	(102)	123
Non-controlling interests		2		

	(427)	**(102)**	**123**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group	(21)	277	83
Non-controlling interests	(1)	(1)	
	(22)	**276**	**83**

* For information on expenses by nature, refer to notes 9, 11, 16, 18, 19, 22, and 34.

The statements of comprehensive income should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings Group

Statements of financial position

	Note	As of December 31, 2011	2010
		(In $ million)	
Assets			
Cash and cash equivalents	15	597	663
Trade and other receivables	16	1,501	1,145
Inventories	18	1,773	1,281
Current tax assets	21	39	109
Assets held for sale	17	70	18
Derivatives	29	1	12
Other assets		68	62
Total current assets		**4,049**	**3,290**
Non-current receivables	16	50	47
Investments in associates and joint ventures	23	119	110
Deferred tax assets	21	27	23
Property, plant and equipment	19	4,535	3,266
Investment properties	20	29	68
Intangible assets	22	12,531	8,748
Derivatives	29	122	87
Other assets		150	75
Total non-current assets		**17,563**	**12,424**
Total assets		**21,612**	**15,714**
Liabilities			
Bank overdrafts		3	12
Trade and other payables	24	1,747	1,236
Liabilities directly associated with assets held for sale	17	20	
Borrowings	25	520	140
Current tax liabilities	21	160	145
Derivatives	29	16	1
Employee benefits	26	227	195
Provisions	27	98	74
Total current liabilities		**2,791**	**1,803**
Non-current payables	24	33	9
Borrowings	25	16,641	11,717
Deferred tax liabilities	21	1,539	1,130
Employee benefits	26	934	971

Provisions	27	127	86
Total non-current liabilities		**19,274**	**13,913**
Total liabilities		**22,065**	**15,716**
Net liabilities		**(453)**	**(2)**
Equity (deficit)			
Share capital	28	1,417	1,417
Reserves	28	(1,252)	(1,231)
Accumulated losses		(640)	(211)
Equity (deficit) attributable to equity holder of the Group		**(475)**	**(25)**
Non-controlling interests		22	23
Total equity (deficit)		**(453)**	**(2)**

The statements of financial position should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings Group

Statements of changes in equity

	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Accumulated losses	Equity (deficit) attributable to equity holder of the Group	Non-controlling interests	Total
				(In $ million)					
Balance at the beginning of the period (January 1, 2009)		1,604	(18)	71	(12)	(197)	**1,448**	17	**1,465**
Issue of shares (net of issue costs)	28	880					**880**		**880**
Total comprehensive income for the period:									
Profit after tax						124	**124**		**124**
Exchange differences on translating foreign operations			71				**71**		**71**
Cash flow hedges					12		**12**		**12**
Total comprehensive income for the period			**71**		**12**	**124**	**207**		**207**
Common control transactions	32	(1,108)		(584)			**(1,692)**		**(1,692)**
Dividends paid to non-controlling interests								(1)	**(1)**
Balance as of December 31, 2009		**1,376**	**53**	**(513)**		**(73)**	**843**	**16**	**859**
Balance at the beginning of the period (January 1, 2010)		1,376	53	(513)		(73)	**843**	16	**859**
Issue of shares (net of issue costs)	28	947					**947**		**947**

Total comprehensive income for the period:								
Loss after tax					(102)	**(102)**		**(102)**
Exchange differences on translating foreign operations			277			**277**	(1)	**276**
Total comprehensive income for the period			**277**		**(102)**	**175**	**(1)**	**174**
Common control transactions	32	(906)		(1,048)		**(1,954)**		**(1,954)**
Purchase of non-controlling interest					3	**3**	(5)	**(2)**
Non-controlling interests acquired through business combinations							18	**18**
Disposal of business							(3)	**(3)**
Dividends paid	28				(39)	**(39)**	(2)	**(41)**
Balance as of December 31, 2010		**1,417**	**330**	**(1,561)**	**(211)**	**(25)**	**23**	**(2)**
Balance at the beginning of the period (January 1, 2011)		1,417	330	(1,561)	(211)	**(25)**	23	**(2)**
Total comprehensive loss for the period:								
Loss after tax					(429)	**(429)**	2	**(427)**
Exchange differences on translating foreign operations			(21)			**(21)**	(1)	**(22)**
Total comprehensive loss for the period			**(21)**		**(429)**	**(450)**	**1**	**(449)**
Dividends paid							(2)	**(2)**
Balance as of December 31, 2011		**1,417**	**309**	**(1,561)**	**(640)**	**(475)**	**22**	**(453)**

The statements of changes in equity should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings Group

Statements of cash flows

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Cash flows from operating activities				
Cash received from customers		11,486	6,798	6,081
Cash paid to suppliers and employees		(9,868)	(5,635)	(4,941)
Interest paid		(1,003)	(451)	(262)
Income taxes paid, net of refunds received		(88)	(125)	(108)
Change of control payment and other acquisition costs		(84)	(181)	
Payment to related party for use of tax losses			(23)	
Net cash from operating activities		**443**	**383**	**770**
Cash flows used in investing activities				
Purchase of Whakatane Mill			(46)	
Acquisition of property, plant and equipment and investment properties		(511)	(319)	(244)
Proceeds from sale of property, plant and equipment, investment properties and other assets		71	32	41
Acquisition of intangible assets		(9)	(18)	(48)
Acquisition of businesses, net of cash acquired	33	(2,048)	(4,386)	4
Disposal of businesses, net of cash disposed			33	
Disposal of other investments			10	4
Pre-acquisition advance to Graham Packaging		(20)		
Receipt of related party advances			97	102
Interest received		7	5	4
Dividends received from joint ventures		8	4	1
Net cash used in investing activities		**(2,502)**	**(4,588)**	**(136)**
Cash flows from (used in) financing activities				
Acquisitions of business under common control			(1,958)	(1,687)
Drawdown of loans and borrowings:				
August 2011 Credit Agreement		4,666		
August 2011 Notes		2,482		
February 2011 Notes		2,000		
October 2010 Notes			3,000	
May 2010 Notes			1,000	
2009 Notes				1,789
2009 Credit Agreement		10	2,820	1,404
Other borrowings		13	2	100
Repayment of loans and borrowings:				
2011 Credit Agreement		(75)		

2009 Credit Agreement		(4,168)	(38)	
Graham Packaging borrowings acquired	33	(1,935)		
Graham Packaging 2017 Notes		(239)		
Graham Packaging 2018 Notes		(231)		
Pactiv borrowings acquired			(397)	
Blue Ridge Facility			(43)	
2008 Reynolds Senior Credit Facilities				(1,500)
2007 SIG Senior Credit Facilities				(742)
CHH Facility				(13)
Other borrowings		(4)	(4)	(127)
Payment of liabilities arising from Graham Packaging Acquisition		(252)		
Premium on Graham Packaging 2017 and 2018 Notes		(5)		
Proceeds from issues of share capital			322	578
Proceeds from related party borrowings		25		68
Repayment of related party borrowings				(180)
Payment of transaction costs		(279)	(317)	(190)
Purchase of non-controlling interests			(3)	
Dividends paid to related parties and non-controlling interests		(2)	(39)	(1)
Net cash from (used in) financing activities		**2,006**	**4,345**	**(501)**
Net increase (decrease) in cash and cash equivalents		**(53)**	**140**	**133**
Cash and cash equivalents at the beginning of the period		651	514	383
Effect of exchange rate fluctuations on cash held		(4)	(3)	(2)
Cash and cash equivalents as of December 31		**594**	**651**	**514**
Cash and cash equivalents comprise				
Cash and cash equivalents		597	663	515
Bank overdrafts		(3)	(12)	(1)
Cash and cash equivalents as of December 31		**594**	**651**	**514**

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings Group

Statements of cash flows (Continued)

Reconciliation of the profit for the period with the net cash from operating activities

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Profit (loss) for the period	(427)	(102)	123
Adjustments for:			
Depreciation of property, plant and equipment	650	317	331
Depreciation of investment properties	1	2	2
Asset impairment charges	12	29	13
Amortization of intangible assets	321	185	169
Net foreign currency exchange loss	7	3	3
Change in fair value of derivatives	26	(4)	(129)
Loss (gain) on sale of property, plant and equipment and non-current assets	1	(5)	(4)
Gains on sale of businesses and investment properties	(5)	(16)	
CSI Americas gain on acquisition		(10)	
Net financial expenses	1,414	698	487
Share of profit of equity accounted investees	(17)	(18)	(11)
Income tax (benefit) expense	(60)	75	148
Interest paid	(1,003)	(451)	(262)
Income taxes paid, net of refunds received	(88)	(125)	(108)
Change in trade and other receivables	(56)	(45)	(43)
Change in inventories	(171)	41	92
Change in trade and other payables	(8)	9	(24)
Change in provisions and employee benefits	(154)	(202)	6
Change in other assets and liabilities		2	(23)
Net cash from operating activities	**443**	**383**	**770**

Significant non-cash financing and investing activities

During the period ended December 31, 2010, Evergreen Packaging Inc. (EPI) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in amounts of CA$30 million ($29 million), NZ$776 million ($568 million) and $28 million.

During the period ended December 31, 2009, Evergreen Packaging International B.V. s (EPIBV) parent company at the time, Evergreen Packaging (Antiilles) N.V., contributed 47 million ($61 million) as a non-stipulated share premium without the issuance of shares.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Table of Contents

Beverage Packaging Holdings Group

Statements of cash flows (Continued)

Acquisitions and disposals of businesses

	For the period ended December 31,					
	2011		2010		2009	
	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions*	Disposals
	(In $ million)					
Inflow (outflow) of cash:						
Cash receipts (payments)	(2,192)		(4,488)	33	4	
Net cash (bank overdraft) acquired (disposed of)	144		102			
Consideration received, satisfied in notes receivable				14		
Consideration subject to post-closing adjustments*				1	3	
	(2,048)		**(4,386)**	**48**	**7**	
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Net gain on sale before reclassification from foreign currency translation reserve				(10)		
Amounts reclassified from foreign currency translation reserve				1		
Net assets (acquired) disposed of	**(2,192)**		**(4,488)**	**39**	**7**	
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Trade and other receivables	(371)		(475)	12		
Current tax assets	(4)		(49)			
Assets held for sale	(10)					
Inventories	(359)		(557)	8		
Derivative assets	(9)					
Deferred tax assets	(12)		(38)			
Property, plant and equipment	(1,525)		(1,443)	23		
Intangible assets (excluding goodwill)	(2,462)		(2,719)			
Goodwill	(1,735)		(2,931)		7	
Other current and non-current assets	(25)		(60)			
Investment in associates and joint ventures	(1)			3		
Trade and other payables	717		425	(8)		
Current tax liabilities	43					
Loans and borrowings	2,852		1,485			
Deferred tax liabilities	628		877			
Provisions and employee benefits	225		1,071			

Net assets (acquired)/disposed of	**(2,192)**	**(4,516)**	**38**	**7**
Gain on acquisition		10		
Amounts reclassified from foreign currency translation reserve			1	
Non-controlling interests		18		
	(2,192)	**(4,488)**	**39**	**7**

Refer to note 33 for further details of acquisitions.

* The cash paid in 2009 was for the post-closing adjustments relating to the acquisition of CSI Guadalajara.

The statements of cash flows should be read in conjunction with the notes to the financial statements.

F-350

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements
For the period ended December 31, 2011

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (BP I) and Beverage Packaging Holdings (Luxembourg) II S.A. (BP II or the issuer) are domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés .

The financial statements of Beverage Packaging Holdings Group (the Group) as of and for the period ended December 31, 2011 comprise the combination of:

BP I and its subsidiaries and their interests in associates and jointly controlled entities (the BP I Group); and

BP II.

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of BP I and BP II is: 6C, rue Gabriel Lippman, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors (the Directors) on March 28, 2012 in Chicago, Illinois (March 29, 2012 in Auckland, New Zealand).

2.2 Going concern

The financial statements have been prepared using the going concern assumption.

The statement of financial position as of December 31, 2011 presents negative equity of $453 million compared to negative equity of $2 million as of December 31, 2010. The movement is primarily attributable to the current period loss. The total equity was reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction to equity. As of December 31, 2011, the common control transactions had generated a cumulative reduction to equity of $1,561 million.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention except for:

- certain components of inventory which are measured at net realizable value;
- defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and
- certain assets and liabilities, such as derivatives, which are measured at fair value.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2011. Information for the comparative periods is for the twelve month periods ended December 31, 2010 and December 31, 2009.

2.4 Presentation currency

These financial statements are presented in US dollars ($), which is the Group s presentation currency.

2.5 Use of estimates and judgements

The preparation of financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in note 4.

2.6 Comparative information

During the year, the Group made an adjustment to correct an understatement of the pension plan asset for one of the SIG segment s defined benefit pension plans. The understated pension plan asset existed from the date of acquisition of the SIG segment in May 2007. This adjustment reduced net income in the Corporate/Unallocated segment by $6 million for the period ended December 31, 2011, and reduced goodwill by $53 million, increased other non-current assets by $56 million and increased deferred income tax liabilities by $9 million as of December 31, 2011. This adjustment has no effect on the statement of cash flows and no effect on the Group s Adjusted EBITDA for the period ended December 31, 2011, or any previously reported period. Further, the plan asset understatement did not have a material impact on any current or previously reported financial statements.

As disclosed in note 32, indirect subsidiaries of the Company acquired the business operations of the Closures segment and the Reynolds consumer products business on November 5, 2009. On May 4, 2010, indirect subsidiaries of BP I acquired the business operations of Evergreen. On September 1, 2010 indirect subsidiaries of BP I acquired the business operations of the Reynolds foodservice packaging business. Prior to these transactions, these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 (revised) Business Combinations . In accordance with the Group s accounting policy for business combinations under common control, as outlined in note 3.2(d), the Group has compiled the comparative financial information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.7 Presentation of expenses by nature

Expenses in the statements of comprehensive income are presented by function. Supplemental disclosure of expenses by nature is presented in notes 9, 10, 11, 16, 18, 19, 22 and 34. The components of the Group s

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

expenses not disclosed by nature in those notes primarily include energy consumption costs, freight costs, repairs and maintenance, other consultancy costs and professional fees, travel and entertainment, and advertising costs. None of these other types of expenses have an individually significant impact on the Group s statements of comprehensive income for any period presented.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by all Group entities.

3.1 Basis of combination

The financial statements represent the combination of the consolidated financial statements of the BP I Group and BP II, a sister company to BP I. Their preparation is prescribed under the requirements of the 2007 Senior Notes and the 2007 Senior Subordinated Notes indenture. Refer to note 25 for additional information on the Group s borrowings.

As the financial statements represent the combination of entities that do not have direct shareholdings in each other, consolidated financial statements of the Group cannot be prepared. Consequently, the number of shares and value of issued capital along with other items of equity and reserves in the statements of financial position represent the combination of the issued capital and other items of equity and reserves of BP I and BP II.

In preparing the financial statements of the Group, the effects of all transactions and balances between entities within the Group have been eliminated.

3.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. Control exists when the parent of the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control (or effective control) commences until the date that control ceases.

The Group has adopted IFRS 3 (revised) Business Combinations and IAS 27 Consolidated and Separate Financial Statements (2008) for each acquisition or business combination occurring on or after January 1, 2010. All business combinations occurring on or after January 1, 2010 are accounted for using the acquisition method, while those prior to this date are accounted for using the purchase method.

The acquisition method of accounting is used to account for the acquisition of third party subsidiaries and businesses by the Group for transactions completed on or after January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, including the fair value of any contingent consideration and share-based payment awards (as measured in accordance with IFRS 2 Share Based Payments) of the acquiree that are mandatorily replaced as a result of the transaction. Transaction costs that the Group incurs in connection with an acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are initially recognized at their proportionate share of the fair value of the net assets acquired.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

During the measurement period an acquirer can report provisional information for a business combination if by the end of the reporting period in which the combination occurs the accounting is incomplete. The measurement period, however, ends at the earlier of when the acquirer has received all of the necessary information to determine the fair values or one year from the date of the acquisition.

The purchase method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group for transactions completed prior to January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interests. Final values for a business combination are determined within twelve months of the date of the acquisition.

Refer to note 33 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

The Group s share of its associates post-acquisition profits or losses and movements in other comprehensive income is recognized in the Group s statement of comprehensive income after adjustments (as required) are made to align the accounting policies of the associate with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a financial obligation or has made payments on behalf of the investee.

(c) Joint Ventures

Joint ventures are those operations, entities or assets in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Interests in jointly controlled entities are accounted for using the equity method of accounting (as described in note 3.2(b)).

Interests in jointly controlled assets and operations are reported in the financial statements by including the Group s share of assets employed in the joint venture, the share of liabilities incurred in relation to the joint venture and the share of any expenses incurred in relation to the joint venture in their respective classification categories. Movements in reserves of joint ventures attributable to the Group are recognized in other comprehensive income in the statement of comprehensive income.

(d) Transactions between entities under common control

Common control transactions arise between entities that are under the ultimate ownership of the common sole shareholder, Mr. Graeme Hart.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Certain transactions between entities that are under common control may not be transacted on an arm s length basis. Any gains or losses on these types of transactions are recognized directly in equity. Examples of such transactions include but are not limited to:

- debt forgiveness transactions;
- transfer of assets for greater than or less than fair value; and
- acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

Acquisitions of entities under common control are accounted for as follows:

- predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;
- premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;
- the financial statements incorporate the acquired entities results as if the acquirer and the acquiree had always been combined; and
- the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced (i.e. from the date the business was acquired by Mr. Graeme Hart) as though the entities had always been combined from the common control date forward.

(e) Transactions eliminated on consolidation

Intra-group balances and unrealized items of income and expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group s interest in the investee. Unrealized losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

(f) Transactions with non-controlling interests

The Group accounts for transactions with non-controlling interests as transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.3 Foreign currency

(a) Functional currency

Items included in the financial statements of each of the Group s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of BP I and BP II is the euro.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group s presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date of the statement of financial position;

(ii) income and expense items for each profit or loss item are translated at average exchange rates;

(iii) items of other comprehensive income are translated at average exchange rates; and

(iv) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognized as a component of equity and included in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive income as a component of the profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated on this basis.

3.4 Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, receivables, available-for-sale financial assets, trade and other payables and interest bearing borrowings.

A non-derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

without retaining control or substantially all the risks and rewards of the asset. Non-derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists and the Group intends to either settle the instrument net or realize the asset and liability simultaneously.

Upon initial acquisition the Group classifies its financial instruments in one of the following categories, which is dependent on the purpose for which the financial instruments were acquired.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except if these are repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

(b) Financial instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on the instrument s fair value. Upon initial recognition (at the trade date) attributable transaction costs are recognized in the statement of comprehensive income as a component of the profit or loss. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the statement of comprehensive income as a component of the profit or loss.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for instruments with maturities greater than twelve months from the reporting date, which are classified as non-current assets. The Group s loans and receivables comprise trade and other receivables (including related party receivables) which are stated at their cost less impairment losses.

(d) Other liabilities

Other liabilities comprise all non-derivative financial liabilities that are not disclosed as liabilities at fair value through profit or loss. Other liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Group s other liabilities comprise trade and other payables and interest bearing borrowings, including those with related parties. The Group s other liabilities are measured as follows:

(i) Trade and other payables

Subsequent to initial recognition trade and other payables are stated at amortized cost using the effective interest method.

(ii) Interest bearing borrowings including related party borrowings

On initial recognition, borrowings are measured at fair value less transaction costs that are directly attributable to borrowings. Subsequent to initial recognition interest bearing loans and borrowings are measured at amortized cost using the effective interest method.

3.5 Derivative financial instruments

A derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of an instrument at the trade date.

Derivative financial instruments are initially recognized at fair value (which includes consideration of credit risk where applicable), and transaction costs are expensed as incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognized in the statement of comprehensive income as a component of the profit or loss unless the derivative financial instruments qualify for hedge accounting. If a derivative financial instrument qualifies for hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

Derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists.

Derivative financial assets are derecognized if the Group s contractual rights to the cash flows from the instrument expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

Derivative financial liabilities are derecognized if the Group s obligations specified in the contract expire or are discharged or cancelled.

(a) Cash flow hedges

Changes in the fair value of a derivative financial instrument designated as a cash flow hedge are recognized directly in equity as a component of other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of comprehensive income as a component of the profit or loss for the period.

If a hedging instrument no longer meets the criteria for hedge accounting or it expires, is sold, terminated or exercised, then hedge accounting is discontinued prospectively. At this point in time, the cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In all other cases the amount recognized in equity is transferred within the statement of comprehensive income in the same period that the hedged item affects this statement and is recognized as part of financial income or expenses. If the forecast transaction is no longer expected to occur, the cumulative gain

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

or loss that was reported in equity is immediately transferred within the statement of comprehensive income and is recognized as part of financial income or expenses in the profit or loss.

(b) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge are recognized in the statement of comprehensive income as a component of the profit or loss in financial income or expenses together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(c) Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the following conditions are met:

(i) the economic characteristics and risks of the host contract and the embedded derivative are not closely related;

(ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(iii) the combined instrument is not measured at fair value through profit or loss.

At the time of initial recognition of the embedded derivative an equal adjustment is also recognized against the host contract. The adjustment against the host contract is amortized over the remaining life of the host contract using the effective interest method.

Any embedded derivatives that are separated are measured at fair value with changes in fair value recognized through net financial expenses in the statement of comprehensive income as a component of the profit or loss.

3.6 Inventories

(a) Raw materials, work in progress and finished goods

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(b) Engineering and maintenance materials

Engineering and maintenance materials (representing either critical or long order components) are measured at the lower of cost and net realizable value. The cost of these inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is determined with reference to the cost of replacement of such items in the ordinary course of business compared to the current market prices.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.7 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition (refer to note 3.2(a)). The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(b) Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use. Assets under construction are not depreciated but tested for impairment at least annually or when there is an indication of impairment.

(c) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its carrying value at the date of transfer.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalized until such time as the assets are substantially ready for their intended use. The interest rate used equates to the effective interest rate on debt where general borrowings are used or the relevant interest rate where specific borrowings are used to finance the construction.

(e) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of profit or loss on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

Buildings	20 to 50 years
Plant and equipment	3 to 25 years
Furniture and fittings	3 to 20 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the net carrying amount of the asset.

3.8 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (if any). Investment properties are depreciated on a straight-line basis over 30 to 40 years.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) The Group as lessor finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group s net investment in the leases.

(b) The Group as lessee finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted for in accordance with the accounting policy described in note 3.4(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.10 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and business operations and is recognized at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognized.

If the Group s interest in the fair value of the acquiree s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer s previously-held equity interest (if any) in the acquiree, the excess is recognized immediately in the statement of comprehensive income as a component of the profit or loss as a bargain purchase gain.

Goodwill is measured at cost less accumulated impairment losses (if any) and is tested at least annually for impairment. Goodwill is not amortized and is monitored for impairment testing at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. The allocation is made to the operations that are expected to benefit from the business combination in which the goodwill arose after the allocation of purchase consideration is finalized.

In respect of joint ventures and investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(b) Trademarks

Trademarks are measured at cost less accumulated amortization and impairment losses (if any) with the exception of the SIG Combibloc, Reynolds, Hefty, Pactiv Foodservice, Blue Ridge, Evergreen and Graham Packaging trade names which are recognized at cost less accumulated impairment losses (if any). These trade names are considered indefinite life assets as they represent the value accumulated in the brand, which is expected to continue indefinitely into the future. Trademarks are tested at least annually for impairment.

(c) Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers. These relationships are recognized at cost and amortized using the straight-line method over the estimated remaining useful lives of the relationships, which are based on customer attrition rates and projected cash flows.

(d) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Intangible assets arising from development activities are measured at cost less accumulated amortization and accumulated impairment losses (if any).

(e) Other intangible assets

Other intangible assets comprise permits, software, technology, patents and rights to supply. Other intangible assets that have finite useful lives are carried at cost less accumulated amortization and impairment losses (if any). Other intangible assets that have indefinite useful lives are carried at costs less impairment losses (if any).

(f) Subsequent expenditures

Subsequent expenditure in respect of intangible assets is capitalized only when the expenditure increases the future economic benefits embodied in the specific asset to which the expenditure relates and it can be reliably measured. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(g) Amortization

Amortization is recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life intangibles, from the date that the intangible assets are available for use.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

The estimated useful lives for the material classes of intangible assets are as follows:

Software/technology	3 to 15 years
Patents	5 to 14 years
Rights to supply	up to a maximum of 6 years
Customer relationships	6 to 25 years
Trademarks	5 to 15 years

3.11 Impairment

The carrying amounts of the Group s assets are reviewed regularly and at least annually to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount of an asset, cash generating unit (CGU) or group of CGUs exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognized in the statement of comprehensive income as a component of the profit or loss.

(a) Impairment of loans and receivables

The recoverable amount of the Group s loans and receivables carried at amortized cost is calculated with reference to the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the date of initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments exposures. For trade receivables which are not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

The criteria that the Group uses to determine whether there is objective evidence of an impairment loss include:

significant financial difficulty of the issuer or obligor;

a breach of contract, such as default or delinquency in respect of interest or principal repayment; or

observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio.

(b) Non-financial assets

The carrying amounts of the Group s non-financial assets, including goodwill and indefinite life intangible assets, are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the statement of comprehensive income as a component of the profit or loss. Impairment losses recognized in respect of a segment are allocated first to

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In assessing the fair value less cost to sell, the forecasted future Adjusted EBITDA to be generated by the asset or segment being assessed is multiplied by a relevant market indexed multiple.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset s revised carrying amount will not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

3.12 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group s accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit plan assets, and investment property, which continue to be measured in accordance with the Group s accounting policies. Impairment losses on initial classification of an asset to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.13 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee s service in the current and prior periods. The Group s contributions are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

The Group s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods. These benefits are then discounted to determine the present value of the Group s obligations and are then adjusted for the impact of any unrecognized past service costs. The Group s net obligation is then determined with reference to the fair value of the plan assets (if any). The discount rate used is the yield on bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method.

Past service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss, unless the changes to the plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortized on a straight-line basis over the vesting period.

Actuarial gains and losses are recognized in the statement of comprehensive income as component of profit or loss when the cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. These gains or losses are amortized on a straight-line basis over the expected remaining service lives of employees participating in the plan.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

In certain jurisdictions the Group sponsors a number of defined benefit medical plans for certain existing employees and retirees. Typically these plans are unfunded and define a level of medical care that the individual will receive.

The Group s net obligation is calculated separately for each plan by estimating the current and future use of these services by eligible employees, the current and expected future medical costs associated with such services which are discounted to determine their present value and any unrecognized past service costs. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculations are performed by qualified actuaries using the projected unit credit method with the use of mortality tables published by government agencies.

Past-service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss unless changes to a plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past-service costs are amortized on a straight-line basis over the vesting period.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(d) Other long-term employee benefits

The Group s net obligation in respect of long-term employee benefits, other than pension plans and post-employment medical plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine the present value of the Group s obligation. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group s obligations. The calculation is performed by qualified actuaries using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of comprehensive income as a component of the profit or loss in the period in which they arise.

(e) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(f) Incentive compensation plans

The Group recognizes a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognizes a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees to fund such plans.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision for the passage of time is recognized as a component of financial expense in the statement of comprehensive income as a component of the profit or loss.

(a) Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(b) Business closure and rationalization

A provision for business closure and rationalization is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.15 Self-insured employee obligations

(a) Self-insured employee workers compensation

The Group is self-insured in respect of its workers compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group s historical claims) relating to these claims are included in trade and other payables.

3.16 Dividends

Dividends to the Group s shareholder are recognized as a liability in the Group s financial statements in the period in which the dividends are declared.

3.17 Share capital

Common stock and ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.18 Revenue

(a) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, volume rebates and other customer incentives. Revenue is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards of ownership vary depending on the individual terms of the contract of sale. This occurs either upon shipment of the goods or upon receipt of the goods and/or their installation at a customer location.

(b) Lease income

Payments received under finance leases are apportioned between finance income and the reduction of the outstanding receivable balance. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group s net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.19 Lease payments

Minimum lease payments made under finance leases are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges which are recognized in the statement of comprehensive income as a component of the profit or loss are allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for in the periods in which the payments are incurred.

Payments made under operating leases are recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the term of the lease, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognized as an expense in the period in which the payments are incurred. Presently, all payments under operating leases are recognized on a straight-line basis over the term of the lease in the statement of comprehensive income.

In the event that lease incentives are received to enter into an operating lease, such incentives are deferred and recognized as a liability. The aggregated benefits of the lease incentives are recognized as a reduction to the lease expenses on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.20 Financial income and expenses

Financial income comprises interest income, foreign currency gains, and gains on derivative financial instruments in respect of financing activities that are recognized in the statement of comprehensive income as a component of the profit or loss. Interest income is recognized as it accrues using the effective interest method.

Financial expenses comprise interest expense, foreign currency losses, impairment losses recognized on financial assets (except for trade receivables) and losses in respect of financing activities on derivative instruments that are recognized in the statement of comprehensive income as a component of the profit or loss. All borrowing costs not qualifying for capitalization are recognized in the statement of comprehensive income as a component of the profit or loss.

3.21 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income as a component of the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized with the associated items on a net basis.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized. Deferred income tax assets and liabilities in the same jurisdiction are off-set in the statement of financial position only to the extent that there is a legally enforceable right to off-set current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realized simultaneously.

3.22 Sales tax, value added tax and goods and services tax

All amounts (including cash flows) are shown exclusive of sales tax, value added tax (VAT) and goods and services tax (GST) to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax, VAT and GST.

3.23 Discontinued operations

A discontinued operation is a component of the Group s business that represents a separate major line of business or geographical area of operation that has been disposed of or is held for sale, or is a subsidiary or business acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.24 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2011

During 2011, certain interpretations and standards which had not previously been early adopted were mandatory for the Group. This included improvements to various IFRSs 2010 various standards (effective for financial reporting periods beginning on or after July 1, 2010 and January 1, 2011). The adoption of the revisions to existing standards did not have a material impact on the financial statements of the Group for the period ended December 31, 2011.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these consolidated financial statements:

IFRS 9 Financial Instruments is the replacement of IAS 39 Financial Instruments: Recognition and Measurement . IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting

January 1, 2015, with early adoption permitted. The Group is currently evaluating the impact of IFRS 9 on its financial statements.

On May 12, 2011, the IASB released IFRS 10 Consolidated Financial Statements , IFRS 11 Joint Arrangements , IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement as part of its new suite of consolidation and related standards, replacing and amending a number of existing

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

standards and pronouncements. Each of these standards is effective for annual reporting periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 10 introduces a new approach to determining which investments should be consolidated and supersedes the requirements of IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation Special Purpose Entities . Under the requirements of this new standard, the basis for consolidation is control regardless of the nature of the investee. The IASB has provided a series of indicators to determine control which requires judgment to be exercised in making the assessment of control. The new standard also introduces the concept of de facto control, provides greater guidance on the assessment of potential voting rights, while also requiring control to be assessed on a continuous basis where changes arise that do not merely result from a change in market conditions.

IFRS 11 overhauls the accounting for joint arrangements (previously known as joint ventures) and directly supersedes IAS 31 Interests in Joint Ventures while amending IAS 28 (2011) Investments in Associates and Joint Ventures . Under the requirements of the new standard, jointly controlled entities are either accounted for (without choice) using the equity or proportional consolidation method (depending if separation can be established legally or through another form), whereas joint ventures (previously referred to as jointly controlled operations and jointly controlled assets) must be accounted for using the proportional consolidation method.

IFRS 12 combines into a single standard the disclosure requirements for subsidiaries, associates and joint arrangements and unconsolidated structured entities. Under the expanded and new disclosure requirements, information is required to be provided to enable users to evaluate the nature of the risks associated with a reporting entity s interest in other entities and the effect those interests can have on the reporting entity s financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structured entities.

IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement.

On June 16, 2011, the IASB published an amendment to IAS 19 Employee Benefits, which removes certain options in respect of the accounting for defined benefit post-employment plans, while introducing certain other new measurement and disclosure requirements. Under the requirements of the amended standard, the IASB now requires the immediate recognition of all actuarial gains and losses as a component of other comprehensive income, effectively removing the ability to defer and leave unrecognized those amounts that were previously permitted under the corridor method. In connection with this amendment, the IASB has also provided additional guidance on the level of aggregated disclosure permitted when plans with differing criteria are presented on a consolidated basis, while also revising the basis under which finance costs are to be determined in connection with defined benefit plans. In addition to these changes, the new standard has also introduced further measures to distinguish between short and long-term employee benefits and additional guidance in terms of the recognition of termination benefits.

In addition, on June 16, 2011, the IASB also published an amendment to IAS 1 Presentation of Financial Statements . Under the requirements of the amended standard, the IASB requires an entity to present amounts recognized in other comprehensive income that the entity expects will be reclassified to the statement of comprehensive income in the future (even if contingent on future events) separately from those amounts that will never be reclassified. In addition, the amendment proposes a change in the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income but allows entities the ability to use other titles.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

The requirements of the amended IAS 1 and IAS 19 must be applied to the financial year beginning on or after January 1, 2013, with early adoption permitted. The Group currently accounts for its defined benefit post-employment plans using the corridor method. The Group is currently evaluating the effects of the amendments to IAS 1 and IAS 19 on its financial statements.

On December 16, 2011, the IASB published amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities and IAS 32 Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities. The amendments are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. Additional disclosures are also required about right of offset and related arrangements.

The requirements of the amended IFRS 7 must be applied to the financial year beginning on or after January 1, 2013 and of amended IAS 32 must be applied to the financial year beginning on or after January 1, 2014. Both require retrospective application for the comparative period. The Group is currently evaluating the effects of the amendments to IFRS 7 and IAS 32 on its financial statements.

4. Critical accounting estimates and assumptions

In the process of applying the Group s accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill is impaired requires estimation of the recoverable values of a segment, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. Determining whether indefinite life intangible assets are impaired requires estimation of the recoverable values of the segment or lower level group of CGUs to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgment is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 22.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group s intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

4.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgment to be exercised in determining the Group s provision for income taxes. There are a number of transactions and

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.3 Realization of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs from management s estimate of future taxable income, the value of recognized deferred tax assets may be affected. Deferred tax assets have been recognized to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realized in the same jurisdiction and reporting period. Deferred tax assets have also been recognized based on management s best estimate of the recoverability of these assets against future taxable income.

4.4 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than twelve months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of December 31, 2011, the valuation of the assets acquired and liabilities assumed as a result of the Graham Packaging acquisition have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.2(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

4.5 Measurement of obligations under defined benefit plans

The Group operates a number of defined benefit pension plans. Amounts recognized under these plans are determined using actuarial methods. These actuarial valuations involve assumptions regarding long-term rates of return on pension fund assets, expected salary increases and the age of employees. These assumptions are reviewed at least annually and reflect estimates as of the measurement date.

Any change in these assumptions will impact the amounts reported in the statements of financial position, plus net pension expense or income that may be recognized in future years.

5. Determination of fair values

A number of the Group s accounting policies and associated disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.1 Property, plant and equipment

The fair values of items of property, plant and equipment recognized as a result of a business combination are based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm s length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items where available or based on the assessment of appropriately qualified independent valuers.

5.2 Intangible assets

The fair values of patents and trademarks acquired in a business combination are based on the discounted estimated royalty payments that have been avoided as a result of owning the patent or trademark. The fair values of other identifiable intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5.3 Investment property

The fair values of investment property are based on active market prices adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed internally and by external valuers.

5.4 Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

5.5 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Given the short-term nature of trade receivables the carrying amount is a reasonable approximation of fair value.

5.6 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of commodity and other price derivatives is based on a valuation model. The valuation model (which includes when relevant the consideration of credit risk) discounts the estimated future cash flows based on the terms and maturity of each contract using forward curves and market interest rates at the reporting date.

5.7 Non-derivatives financial liabilities

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.8 Pension and post-employment medical benefits

The valuation of the Group s defined benefit pension and post-employment medical plans is outlined in note 3.13(a)(ii).

5.9 Fair value of borrowings acquired

The fair value of borrowings acquired in business combinations is determined using quoted market prices or agreed redemption values at the date of acquisition.

6. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and to assess its performance.

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s operating and reportable business segments under IFRS 8 are as follows:

SIG Combibloc SIG Combibloc is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

Reynolds Consumer Products Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. Prior to the Pactiv acquisition (refer to note 33), the Reynolds Consumer Products segment consisted solely of the Group s Reynolds consumer products business.

Pactiv Foodservice   Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv acquisition (refer to note 33), the Pactiv Foodservice segment consisted solely of the Group s Reynolds foodservice packaging business. Dopaco, which was acquired in May 2011, is being integrated with the Pactiv Foodservice segment.

Graham Packaging   Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 33).

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group s accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenue and expenses, financial income and expenses, and income tax benefit and expense.

The CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, non-cash pension income, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm s length basis.

Business segment reporting

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Total external revenue	2,036	1,557	1,317	2,503	3,409	967		11,789
Total inter-segment revenue		46	12	56	39		(153)	
Total segment revenue	**2,036**	**1,603**	**1,329**	**2,559**	**3,448**	**967**	**(153)**	**11,789**
Gross profit	439	224	207	611	524	62	(3)	2,064
Expenses and other income	(234)	(69)	(97)	(258)	(402)	(86)	(8)	(1,154)
Share of profit of associates and joint ventures	15	2						17
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**

Financial income								6
Financial expenses								(1,420)
Loss before income tax								**(487)**
Income tax benefit								60
Loss after income tax								**(427)**
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**
Depreciation and amortization	260	60	81	150	292	129		972
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions between segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**
Included in EBITDA:								
Asset impairment charges	4		1		7			12
Business acquisition and integration costs				5	45	9	26	85
Business interruption costs (recoveries)	2		1	(1)				2
Change of control payments						12		12
Equity method profit not distributed in cash	(8)	(2)						(10)
Gain on modification of plan benefits							(25)	(25)
Gain on sale of businesses			(5)					(5)
Impact of purchase price accounting on inventory and leases					5	27		32
Non-cash inventory charge				1	2			3
Non-cash pension expense (income)				3	4		(49)	(42)
Operational process engineering-related consultancy costs				17	21		4	42
Restructuring costs	2		5	11	48	3	19	88
SEC registration costs							6	6
	2	2	2	17	3			26

Unrealized loss on derivatives								
VAT and custom duties on historical imports	1							1
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**483**	**217**	**195**	**556**	**549**	**156**	**(30)**	**2,126**
Segment assets	**3,218**	**1,373**	**1,759**	**4,882**	**5,826**	**4,305**	**249**	**21,612**
Included in segment assets are:								
Additions to property, plant and equipment	185	62	63	33	105	63		511
Additions to intangible assets	8		3	1		5	1	18
Additions to investment properties	4							4
Investments in associates and joint ventures	104	14				1		119
Segment liabilities	**2,031**	**412**	**804**	**1,396**	**861**	**3,931**	**12,630**	**22,065**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition (refer to notes 22 and 33) that has not yet been allocated to the operating segments.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
				Reynolds			
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Total external revenue	1,846	1,580	1,167	1,334	847		6,774
Total inter-segment revenue		3	7	44	77	(131)	
Total segment revenue	**1,846**	**1,583**	**1,174**	**1,378**	**924**	**(131)**	**6,774**
Gross profit	464	209	185	327	65		1,250
Expenses and other income	(213)	(67)	(89)	(113)	(106)	(9)	(597)
Share of profit of associates and joint ventures	16	2					18
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Financial income							52
Financial expenses							(750)
Loss before income tax							**(27)**
Income tax expense							(75)
Loss after income tax							**(102)**
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Depreciation and amortization	243	62	79	62	58		504
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
				Reynolds			
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation				(2)			(2)
Asset impairment charges (reversals)	(1)				29		28
Black Liquor Credit		(10)					(10)
Business acquisition costs		1	1			10	12
Business interruption costs			2				2
CSI Americas gain on acquisition			(10)				(10)
Equity method profit not distributed in cash	(11)	(3)					(14)
Gain on sale of businesses and investment properties	(6)	(2)			(8)		(16)
Impact of purchase price accounting on inventories				25	38		63
Operational process engineering-related consultancy costs		2		6			8
Pension income						(5)	(5)
Related party management fees		1					1
Restructuring costs (recoveries)	11		3	(4)	(1)		9
Termination of supply agreement					7		7
Unrealized (gain) loss on derivatives		1	(1)	(2)	(1)		(3)
	10						10

VAT and custom duties on historical imports							
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**513**	**196**	**170**	**299**	**81**	**(4)**	**1,255**
Segment assets	**3,439**	**1,257**	**1,739**	**1,763**	**405**	**7,111**	**15,714**
Included in segment assets are:							
Additions to property, plant and equipment	151	47	82	13	10	12	315
Additions to intangible assets	13			5			18
Additions to investment properties	4						4
Investments in associates and joint ventures	97	13					110
Segment liabilities	**2,073**	**392**	**1,167**	**1,161**	**197**	**10,726**	**15,716**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

**** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment and acquisition-related assets not allocated to specific segments. It also includes eliminations of transactions and balances between segments.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Total external revenue	1,668	1,429	977	1,151	685		5,910
Total inter-segment revenue			3	39	54	(96)	
Total segment revenue	**1,668**	**1,429**	**980**	**1,190**	**739**	**(96)**	**5,910**
Gross profit	410	376	161	222	47	3	1,219
Expenses and other income	(229)	(85)	(79)	(31)	(45)	(3)	(472)
Share of profit of associates and joint ventures	9	2					11
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Financial income							9
Financial expenses							(496)
Profit before income tax							**271**
Income tax expense							(148)
Profit after income tax							**123**
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Depreciation and amortization	250	64	73	63	52		502
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	**Evergreen**	**Closures**	**Reynolds Consumer Products**	**Pactiv Foodservice**	**Corporate / unallocated ***	**Total**
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**
Included in EBITDA:							
Asset impairment charges	6	6			1		13
Black Liquor Credit		(214)					(214)
Business acquisition costs		1					1
Elimination of the effect of the historical Reynolds Consumer hedging policy				91	4		95
Equity method profit not distributed in cash	(8)	(2)					(10)
Inventory write-off arising on restructure					5		5
Korean insurance claim		(2)					(2)
Loss on sale of Baco assets				1			1
Manufacturing plant flood impact				5			5
Operational process engineering-related consultancy costs		13					13
Plant realignment costs				2			2
Related party management fees		3					3
Restructuring costs	38	3	3	5	9		58
Transition costs				24			24
Unrealized gain on derivatives	(4)		(10)	(102)	(13)		(129)
VAT and custom duties on historical imports	3						3
Write down of assets held for sale		1					1
Write off of receivables related to sale of Venezuela operations		1					1

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**475**	**167**	**148**	**280**	**60**		**1,130**
Segment assets	**4,025**	**1,316**	**1,432**	**1,670**	**512**	**(1,420)**	**7,535**
Included in segment assets are:							
Additions to property, plant and equipment	77	61	69	31	4		242
Additions to intangible assets	21	2		22	3		48
Additions to investment properties	2						2
Investments in associates and joint ventures	90	10			4		104
Segment liabilities	**1,255**	**1,034**	**970**	**1,158**	**267**	**1,992**	**6,676**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

6. Segment reporting (continued)

Information about geographic area

The Group s revenue from external customers and information about its segment assets (total non-current assets excluding financial instruments, non-current receivables, deferred tax assets and post-employment benefit assets) by geographical origin are detailed below. In presenting information on a geographical basis, revenue and assets have been based in the location of the business operations:

	USA	Remaining North American Region	Europe	Asia	South America	Other	Total
			(In $ million)				
Total external revenue							
For the period ended December 31, 2011	7,990	628	1,742	941	375	113	11,789
For the period ended December 31, 2010	3,829	299	1,498	759	292	97	6,774
For the period ended December 31, 2009	3,279	230	1,483	656	249	13	5,910
Non-current assets							
As of December 31, 2011	14,049	405	1,637	912	225	58	17,286
As of December 31, 2010	9,073	369	1,769	855	122	60	12,248

There was no revenue from external customers in Luxembourg, where BP I and BP II are domiciled, for the period ended December 31, 2011 (2010: none; 2009: none). There were no total non-current assets in Luxembourg as of December 31, 2011 (December 31, 2010: none).

Information about major customers

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group s revenue.

Information about major product lines

Supplemental information on net sales by major product line is set forth below:

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		

Foodservice packaging	3,448	924	739
Aseptic carton packaging	2,036	1,846	1,668
Caps and closures	1,329	1,174	980
Waste and storage products	992	509	433
Cooking products	822	768	757
Tablewares	745	101	
Cartons	775	755	757
Beverage containers	646		
Liquid packaging board	441	416	336
Paper products	387	412	336
Household product containers	175		
Other product containers	146		
Inter-segment eliminations	(153)	(131)	(96)
Total Revenue	**11,789**	**6,774**	**5,910**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

7. Revenue

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Sale of goods	11,699	6,692	5,845
Services	90	82	65
Total Revenue	**11,789**	**6,774**	**5,910**

8. Other income

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Adjustment related to settlement of a lease obligation		2	
CSI Americas gain on acquisition		10	
Gain on sale of businesses	5		
Gain on sale of investment properties		16	
Gain on sale of non-current assets		5	4
Income from facility management	12	11	15
Income from miscellaneous services	6	8	11
Insurance claims	6		4
Landfill tipping fees received	5		
Rental income from investment properties	6	6	5
Royalty income	4	2	2
Sale of by-products	29	25	18
Unrealized gains on derivatives		4	129
Other	14	13	13
Total other income	**87**	**102**	**201**

9. General and administration expenses

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Research and development expenses	(145)	(107)	(99)
Auditors remunerations to PricewaterhouseCoopers, comprising:			
Audit fees	(12)	(11)	(7)
Other audit related fees(a)	(7)	(5)	(5)
Tax fees(b)	(1)	(1)	(12)

(a) Other audit related fees include services for the audit or review of financial information other than year end or interim financial statements (including audits of carve out financial statements for debt refinancing and covenant reporting under bank facilities).

(b) In 2009, $12 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits. These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

10. Other expenses

	Note	2011	2010	2009
		For the period ended December 31, (In $ million)		
Asset impairment charges		(12)	(29)	(13)
Business acquisition costs		(38)	(13)	
Business integration costs		(43)		
Net foreign currency exchange loss		(7)	(3)	(3)
Operational process engineering-related consultancy costs		(42)	(7)	(13)
Related party management fees	30		(1)	(3)
Restructuring costs		(88)	(9)	(58)
SEC registration costs		(6)		
Unrealized losses on derivatives		(26)		
VAT and custom duties on historical imports		(1)	(11)	(3)
Other		(5)	(7)	(3)
Total other expenses		**(268)**	**(80)**	**(96)**

11. Personnel expenses

Personnel expenses recognized in the statements of comprehensive income were $1,965 million for the period ended December 31, 2011 (2010: $1,229 million; 2009: $1,167 million). Personnel expenses include salaries, wages, employee related taxes, short-term employee benefits, pension benefits, post-employment medical benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 26.

12. Financial income and expenses

	Note	2011	2010	2009
		For the period ended December 31, (In $ million)		
Interest income		6	5	6
Interest income on related party loans			3	1
Net change in fair value of derivatives			44	2
Financial income		**6**	**52**	**9**

Interest expense:			
August 2011 Credit Agreement	(168)		
2009 Credit Agreement	(29)	(135)	(13)
August 2011 Notes	(85)		
February 2011 Notes	(139)		
October 2010 Notes	(243)	(50)	
May 2010 Notes	(88)	(56)	
2009 Notes	(147)	(134)	(20)
2007 Notes	(109)	(104)	(110)
Pactiv 2012 Notes	(15)	(2)	
Pactiv 2017 Notes	(24)	(3)	
Pactiv 2018 Notes	(1)		

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Pactiv 2025 Notes		(22)	(3)	
Pactiv 2027 Notes		(17)	(2)	
Graham Packaging 2014 Notes		(12)		
Graham Packaging 2017 Notes		(3)		
Graham Packaging 2018 Notes		(3)		
2008 Reynolds Senior Credit Facilities				(66)
2007 SIG Senior Credit Facilities				(47)
CHH Facility			(8)	(22)
Blue Ridge Facility				(2)
Related party borrowings	30	(1)		(12)
Amortization of:				
Debt issue costs:				
2011 Credit Agreement		(4)		
2009 Credit Agreement(a)		(86)	(10)	(1)
August 2011 Notes		(2)		
February 2011 Notes		(2)		
October 2010 Notes		(10)	(2)	
May 2010 Notes		(3)	(2)	
2009 Notes		(8)	(9)	(1)
2007 Notes		(4)	(4)	(4)
2008 Reynolds Senior Credit Facilities				(19)
2007 SIG Senior Credit Facilities				(3)
CHH Facility				(1)
Debt commitment letter fees(b)(c)		(68)	(98)	
Credit Agreement amendment fees		(11)	(12)	
Fair value adjustment of acquired notes		14	1	
Original issue discounts(a)		(42)	(6)	(1)
Embedded derivatives		11	3	
Graham Packaging Notes tender offer fees		(5)		
Unamortized debt issue costs written off				(36)
Net change in fair values of derivatives		(20)		
Net foreign currency exchange loss		(55)	(101)	(131)
Other		(19)	(13)	(7)
Financial expenses		**(1,420)**	**(750)**	**(496)**

Net financial expenses	**(1,414)**	**(698)**	**(487)**

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes as well as proceeds from the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance costs of $86 million and unamortized original issuance discount of $38 million related to the 2009 Credit Agreement were expensed during the period ended December 31, 2011.

(b) A debt commitment letter to fund the Graham Packaging Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

Group incurring $68 million of fees. The proceeds from the issuance of the August 2011 Notes and drawings under the August 2011 Credit Agreement were used to finance the Graham Packaging Acquisition (refer to note 33). As the commitments under the debt commitment letter were not utilized, the Group expensed $68 million of the fees during the period ended December 31, 2011.

(c) A debt commitment letter to fund the Pactiv Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $98 million of fees. The proceeds from the issuance of the October 2010 Notes and the additional borrowings under the 2009 Credit Agreement were used to finance the Pactiv acquisition. As the commitments under the debt commitment letter were not utilized, the Group expensed $98 million of fees during the period ended December 31, 2010.

Refer to note 25 for information on the Group s borrowings.

13. Income tax

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Current tax expense			
Current period	(148)	(117)	(115)
Adjustment for prior periods			(2)
	(148)	**(117)**	**(117)**
Deferred tax benefit (expense)			
Origination and reversal of temporary differences	189	36	(40)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	12
Adjustments for prior periods	(7)		1
	208	**42**	**(31)**
Income tax benefit (expense)	**60**	**(75)**	**(148)**

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

13. Income tax (continued)

13.1 Reconciliation of effective tax rate

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(487)**	**(27)**	**271**
Income tax using the New Zealand tax rate of 28% (2010 and 2009: 30%)	136	8	(81)
Effect of tax rates in foreign jurisdictions	47	(8)	29
Effect of tax rates in state and local tax	(1)	(5)	(13)
Non-deductible expenses and permanent differences	(95)	(32)	(4)
Tax exempt income and income at a reduced tax rate	9	10	6
Withholding tax	(28)	(10)	(3)
Controlled foreign corporation tax	2	(11)	(17)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	21
Unrecognized tax losses and temporary differences	(48)	(61)	(82)
Tax uncertainties	8		
Cellulosic biofuel credits		29	
Credits	4	2	
Other	3	(3)	1
Over (under) provided in prior periods	(3)		(1)
Total current period income tax (expense) benefit	**60**	**(75)**	**(148)**

14. Other comprehensive income

	For the period ended December 31,					
	2011		2010		2009	
	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect
	(In $ million)					
Exchange difference on translating foreign operations	(22)		276		71	
Cash flow hedges					19	(7)
Total other comprehensive income	**(22)**		**276**		**90**	**(7)**

During the period ended December 31, 2010, the Group transferred $49 million of the exchange difference on translating foreign operations, which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2009, the Group transferred $12 million of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

15. Cash and cash equivalents

	As of December 31, 2011	2010
	(In $ million)	
Cash at bank and on hand	445	591
Short-term deposits	152	72
Total cash and cash equivalents	**597**	**663**

16. Trade and other receivables

	As of December 31, 2011	2010
	(In $ million)	
Trade receivables	1,344	977
Provisions for doubtful debts	(25)	(22)
	1,319	**955**
Related party receivables (refer to note 30)	31	36
Other receivables	151	154
Total current trade and other receivables	**1,501**	**1,145**
Total non-current receivables	**50**	**47**

16.1 Movement in provision for doubtful debts

	As of December 31, 2011	2010
	(In $ million)	
Balance at the beginning of the period	(22)	(22)
Doubtful debts charges recognized	(10)	(8)
Doubtful debts provision applied against trade receivable balance	1	6

Reversal of doubtful debts charges previously recognized	6	2
Balance at the end of the period	**(25)**	**(22)**

The doubtful debts charge recognized of $10 million for the period ended December 31, 2011 (2010: $8 million; 2009: $4 million) relates to increases required as a result of management s review of the trade receivable balances.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

16. Trade and other receivables (continued)

16.2 Balances net of provision for doubtful debts

	As of December 31, 2011	2010
	(In $ million)	
Current	1,211	842
Past due 0 to 30 days	81	91
Past due 31 days to 60 days	9	6
Past due 61 days to 90 days	5	2
More than 91 days	13	14
Balance at the end of the period	**1,319**	**955**

The individual operating divisions within the Group have reviewed their respective past due trade receivable balances on either an individual or collective basis in conjunction with their current level of credit insurance, where applicable. Based on past experience, the Group believes that no further allowance for doubtful debts other than that recognized is necessary.

17. Assets and liabilities held for sale

	As of December 31, 2011	2010
	(In $ million)	
Assets		
Trade receivables	10	
Inventories	15	
Property, plant and equipment	44	18
Pension asset	1	
Total net assets held for sale	**70**	**18**
Liabilities		
Trade and other payables	14	
Other liabilities	6	
Liabilities directly associated with assets held for sale	**20**	

Net assets held for sale	**50**	**18**

During the period ended December 31, 2011, the Group decided to sell the Pactiv Foodservice laminating operations in Louisville, Kentucky and certain property, plant and equipment. The sale was completed on January 2012 (refer to note 37).

During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility and recorded an impairment charge of $7 million on the Richmond facility.

Efforts to dispose of the remaining net assets held for sale are currently progressing and are expected to be completed in the next twelve month period.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

18. Inventories

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Raw materials and consumables	556	379
Work in progress	229	167
Finished goods	898	646
Engineering and maintenance materials	159	146
Provision against inventory	(69)	(57)
Total inventory	**1,773**	**1,281**

During the period ended December 31, 2011, the raw materials elements of inventory recognized as a component of cost of sales totaled $5,750 million (2010: $3,053 million; 2009: $2,684 million). In addition, purchase price adjustments to inventory charged to cost of sales totaled $33 million for the period ended December 31, 2011 (2010: $64 million; 2009: none).

During the period ended December 31, 2011, there were no material write-downs of inventories to net realizable value (2010: $3 million; 2009: $10 million). There were no material reversals of write-downs during 2011 (2010: $2 million; 2009; none). The inventory write-downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment) had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10 million in its cost of sales, being the claim value net of applicable expenses. The Group recognized no such credits in the period ended December 31, 2011.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

19. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Financed leased assets	Total
			(In $ million)				
As of December 31, 2011							
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
As of December 31, 2010							
Cost	218	776	2,668	201	268	28	4,159
Accumulated depreciation		(83)	(686)		(114)	(2)	(885)
Accumulated impairment losses		(3)	(5)				(8)
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**
Carrying amount as of January 1, 2011	218	690	1,977	201	154	26	3,266
Acquisitions through business combinations (refer to note 33)	44	232	1,164	85			1,525
Additions		6	38	416	51		511
Capitalization of borrowing costs			2	2			4
Disposals	(1)	(9)	(6)		(2)		(18)
Depreciation for the period		(94)	(501)		(54)	(1)	(650)
Impairment losses	(2)	(5)	(1)				(8)
Transfers to intangible assets				(2)			(2)
Transfers to assets held for sale	(10)	(8)	(3)				(21)
Other transfers	(10)	39	303	(369)	33		(4)
Effect of movements in exchange rates	(2)	(10)	(48)	(3)	(4)	(1)	(68)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**

Carrying amount as of January 1, 2010	124	399	1,109	80	110	3	1,825
Acquisitions through business combinations (refer to note 33)	83	328	944	64		24	1,443
Additions	10	1	47	223	71		352
Capitalization of borrowing costs				1			1
Disposals	(2)	(6)	(19)		(3)		(30)
Depreciation for the period		(30)	(240)		(46)	(1)	(317)
Impairment losses		(3)	(5)				(8)
Transfers to assets held for sale		12	(13)				(1)
Transfers to intangibles			(3)				(3)
Other transfers		(3)	154	(168)	17		
Effect of movements in exchange rates	3	(8)	3	1	5		4
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**

The depreciation charge of $650 million for the period ended December 31, 2011 (2010: $317 million; 2009: $331 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $625 million; 2010: $302 million; 2009: $318 million), selling, marketing and distribution expenses (2011: $4 million; 2010: $3 million; 2009: $4 million) and general and administration expenses (2011: $21 million; 2010: $12 million; 2009: $9 million).

During the period ended December 31, 2011, the Group incurred an impairment loss of $9 million (2010: $8 million; 2009: $5 million) related to closures of certain facilities. There were no reversals of impairment

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

19. Property, plant and equipment (continued)

charges during the period ended December 31, 2011 (2010: none; 2009: none). The recognition and reversal of impairment charges is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 34 for details of the leased assets lessor category of property, plant and equipment. Refer to note 25 for details of security granted over property, plant and equipment and other assets.

20. Investment properties

	As of December 31,	
	2011	**2010**
	(In $ million)	
Cost	44	81
Accumulated depreciation	(9)	(7)
Accumulated impairment losses	(6)	(6)
Balance at the end of the period	**29**	**68**
Balance at the beginning of the period	68	76
Additions	4	4
Disposals	(43)	(16)
Depreciation	(1)	(2)
Transfer from property, plant and equipment	4	
Impairment (losses) reversals	(4)	1
Effect of movements in exchange rates	1	5
Balance at the end of the period	**29**	**68**
Fair value of investment properties	**29**	**68**

Investment properties (mainly industrial real estate), held by the Group s SIG and Closures segments, are leased to third parties. The method for determining the fair value of investment properties is described in note 5.3.

No contingent rents are charged.

The Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2011 totaled $3 million (2010: $3 million; 2009: $3 million).

There were no direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2011 (2010: none; 2009: none).

21. Current and deferred tax assets and liabilities

The current tax asset of $39 million (2010: $109 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

amounts due to the relevant tax authorities. The current tax liability of $160 million (2010: $145 million) represents the amount of income taxes payable in respect of current and prior periods.

21.1 Unrecognized deferred tax assets

	As of December 31, 2011	2010
	(In $ million)	
Deductible/(taxable) temporary differences	31	20
Tax losses	231	284
Total unrecognized deferred tax assets	**262**	**304**

The tax losses of the Group expire over different time intervals depending on local jurisdiction requirements. Certain deductible temporary differences do not expire under current tax legislation in the jurisdiction where the differences arose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefit.

21.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of the Group s overseas companies when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2011, the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $12 million.

21.3 Movement in recognized deferred tax assets and liabilities

Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Interest	Tax credits	Unrecognized temporary differences	Unrealized foreign currency exchange	Other items	Net deferr tax asset (liabilit
							(In $ million)						

ance at the nning of period	2	(2)	(194)	(6)	(295)	51	27	104			(13)	7	6	(3
ognized in profit or	(6)	27	(20)	6	56	7	(20)	(9)	9	16	(7)	(8)	(9)	
uired in ness binations	(3)	(16)	(308)		(996)	311	27	42		18			86	(8
er luding ign hange and osals)	1		2											
ance as of ember 31, 0	**(6)**	**9**	**(520)**		**(1,235)**	**369**	**34**	**137**	**9**	**34**	**(20)**	**(1)**	**83**	**(1,1**
ognized in profit or	11	(5)	64		62	(10)	(11)	(71)	161	15	(3)	1	(6)	2
uired in ness binations		(2)	(165)		(925)	23	5	372		11	(9)		74	(6
er luding ign hange and osals)		(1)	1		9	(9)	(1)	1			1		2	
ance as of ember 31, 1	**5**	**1**	**(620)**		**(2,089)**	**373**	**27**	**439**	**170**	**60**	**(31)**		**153**	**(1,5**

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

	As of December 31, 2011	2010
	(In $ million)	
Included in the statement of financial position as:		
Deferred tax assets non-current	27	23
Deferred tax liabilities non-current	(1,539)	(1,130)
Total recognized net deferred tax liabilities	**(1,512)**	**(1,107)**

21.4 Movement in unrecognized deferred taxes

	Tax losses	Taxable temporary differences	Deductible temporary differences	Total unrecognized deferred tax asset
		(In $ million)		
Balance at the beginning of the period	230	1	13	244
Additions and reversals	56	(2)	7	61
Recognition	(6)			(6)
Acquired in business combinations	20			20
Other (including foreign exchange and disposals)	(16)	1		(15)
Balance as of December 31, 2010	**284**		**20**	**304**
Additions and reversals	44		4	48
Recognition	(17)	(1)		(18)
Acquired in business combinations	20		9	29
Other (including foreign exchange and disposals)	(100)	(5)	4	(101)
Balance as of December 31, 2011	**231**	**(6)**	**37**	**262**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

22. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
			(In $ million)			
As of December 31, 2011						
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
As of December 31, 2010						
Cost	4,630	1,803	2,147	535	288	9,403
Accumulated amortization		(12)	(280)	(219)	(129)	(640)
Accumulated impairment losses					(15)	(15)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**
Carrying amount as of January 1, 2011	4,630	1,791	1,867	316	144	8,748
Acquisitions through business combinations (refer to note 33)	1,735	256	1,651	547	8	4,197
Additions			5	8	5	18
Amortization for the period		(6)	(153)	(106)	(56)	(321)
Transfers from property, plant and equipment				2		2
Other transfers		(6)	(24)		30	
Other (refer to note 2.6)	(53)					(53)
Effect of movements in exchange rates	(26)	(1)	(35)	1	1	(60)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
Carrying amount as of January 1, 2010	1,730	654	635	184	76	3,279
Acquisitions through business combinations (refer to note 33)	2,931	1,114	1,323	189	93	5,650
Other additions			3	9	7	19

Amortization for the period		(5)	(88)	(59)	(33)	(185)
Impairment losses					(15)	(15)
Disposals				(1)		(1)
Transfers from property, plant and equipment				3		3
Other transfers				(15)	15	
Effect of movements in exchange rates	(31)	28	(6)	6	1	(2)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

The amortization charge of $321 million for the period ended December 31, 2011 (2010: $185 million; 2009: $169 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $97 million; 2010: $83 million; 2009: $84 million) and general and administration expenses (2011: $224 million; 2010: $102 million; 2009: $85 million).

Refer to note 25 for details of security granted over the Group s intangible assets.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

22. Intangible assets (continued)

22.1 Impairment testing for indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangibles with indefinite useful lives and therefore are not subject to amortization. Instead, they are tested for impairment at least annually as well as whenever there is an indication that they may be impaired.

For the purposes of goodwill impairment testing, goodwill is tested at the segment level, which is the lowest level within the Group at which goodwill is monitored for internal management purposes.

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at the segment or lower level group of CGUs that supports the indefinite life intangible assets.

The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each segment are as follows:

	As of December 31,					
	2011			2010		
	Goodwill	Trademarks	Other	Goodwill	Trademarks	Other
	(In $ million)					
SIG Combibloc	807	297		881	298	
Evergreen	41	34		41	34	
Pactiv Foodservice	1,650	526	71			
Reynolds Consumer Products	1,845	850		394	301	
Closures	377			386		
Graham Packaging		250				
Unallocated	1,566			2,928	1,075	78
Total	**6,286**	**1,957**	**71**	**4,630**	**1,708**	**78**

As of the date of these financial statements, provisional goodwill and indefinite life intangible assets of $1,566 million and $250 million, respectively, acquired as a result of the Graham Packaging Acquisition are in the process of being reviewed (refer to note 33) . This process will be completed prior to September 8, 2012. Integration of the Graham Packaging business within the Group is expected to result in synergies within other segments of the Group. Therefore, part of the goodwill from the Graham Packaging Acquisition could be allocated to other segments within the Group. As this process has not yet been finalized, the provisional goodwill related to the Graham Packaging Acquisition is disclosed in the table above as unallocated as of December 31, 2011.

The impairment testing for allocated goodwill and indefinite life identifiable intangible assets was performed by comparing the estimated fair value less cost to sell to the segment s or group of CGUs carrying value of net assets, as applicable.

The estimated fair value has been determined using forecasted 2012 Adjusted EBITDA expected to be generated by the relevant segment or group of CGUs multiplied by an earnings capitalization rate (earnings multiple). The values assigned to key assumptions represent management s assessment of future trends in the segment s industry and are based on both external and internal sources. The forecasted 2012 Adjusted EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. The Forecast 2012 Adjusted EBITDA is subject to review by the Group s CODM. Earnings multiples reflect recent sale and purchase transactions and comparable company EBITDA trading multiples in the same industry. The earnings multiples applied for December 31, 2011 ranged

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

22. Intangible assets (continued)

between 7.5x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment or group of CGUs.

As of December 31, 2011, there was no impairment in respect of any allocated goodwill or indefinite life identifiable intangible assets (2010: none; 2009: none). If the forecasted 2012 Adjusted EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as of December 31, 2011, no impairment would need to be recognized.

The Group did not perform a formal impairment test with respect to the indefinite life identifiable intangible assets and unallocated goodwill arising from the Graham Packaging Acquisition due to the proximity of the acquisition date to the statement of financial position date. However, the Group has performed procedures to determine whether there were triggering events that would indicate the unallocated goodwill and indefinite life identifiable intangible assets were impaired. In undertaking these procedures, the Group considered whether qualitative and quantitative factors indicated that an impairment triggering event had occurred. These factors included consideration of the forecasted 2012 Graham Packaging operation s EBITDA, expected future cost savings and general economic conditions compared to similar factors assessed as part of the Graham Packaging Acquisition. The assessments concluded that no impairment triggers existed and, as a result, no impairment existed with respect to the unallocated goodwill and indefinite life identifiable intangible assets as of December 31, 2011.

23. Investments in associates and joint venture equity accounted

Summary of financial information not adjusted for the percentage ownership held by the Group for associates and joint venture (equity method):

	Country of Incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Profi after tax
					(In $ million)							
011												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	69	32	101	(42)	(10)	(52)	114	(98)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	82	27	109	(60)	(2)	(62)	176	(161)	15
ucart	Israel	50.0%	December 31	12	2	14	(5)	(1)	(6)	21	(19)	2
vergreen												

ackaging td Ducart)												
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	5	7	12	(3)		(3)	12	(10)	2
clipse losures, LC	USA	49.0%	December 31				(1)		(1)		(1)	(1)
raham low Pack rivate imited GBPPL)	India	22.0%	September 30	3	5	8	(2)	(3)	(5)			
				171	**73**	**244**	**(113)**	**(16)**	**(129)**	**323**	**(289)**	**34**
010												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	65	30	95	(51)	(10)	(61)	90	(74)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	76	38	114	(64)	(4)	(68)	161	(145)	16
ucart vergreen ackaging td Ducart)	Israel	50.0%	December 31	13	2	15	(5)	(1)	(6)	19	(17)	2
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	6	6	12	(3)		(3)	13	(11)	2
				160	**76**	**236**	**(123)**	**(15)**	**(138)**	**283**	**(247)**	**36**

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

23. Investments in associates and joint venture equity accounted (continued)

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2011 and 2010 have been used with appropriate adjustments being made for the effects of significant transactions and the Group s share of results between these dates and December 31, 2011 and 2010, respectively. No adjustment was made with respect to PPPL for purposes of applying the equity method of accounting as there were no significant events or transactions that occurred between September 30, 2011 and December 31, 2011.

There are currently no restrictions in respect of the transfer of funds to the Group in the form of cash dividends or the repayment of loans associated with its investments in SIG Combibloc Obeikan FZCO and GBPPL.

The Ducart and Banawi associates have limitations to the amount of dividends that the associates may declare. Dividends are limited to the associates accumulated profits after certain local reserve levels have been attained.

Under the restrictions imposed through the Saudi Industrial Development Fund (SIDF) resulting from the Group s concessional funding loan to SIG Combibloc Obeikan Co. Limited, the maximum dividend or cash distribution able to be paid to the Group from this venture in any fiscal year cannot exceed 25% of the paid-up-capital or SIDF loan value.

The Eclipse Closures, LLC joint venture has an annual mandatory tax distribution on or before March 31 of each year to distribute cash to members according to their respective percentage of shares. The distribution is equal to the prior year s profit and highest combined federal and state income taxes at rates payable by any member. However, due to losses incurred, no mandatory tax distribution is due on March 31, 2012.

Movements in carrying values of investments in associates and joint ventures (equity method)

	As of December 31,	
	2011	**2010**
	(In $ million)	
Balance at the beginning of the period	110	104
Share of profit, net of income tax	17	18
Acquisition through business combination	2	
Disposal, decrease or dilution in investment in associates		(3)
Dividends received	(8)	(4)
Effect of movement in exchange rates	(2)	(5)
Balance at the end of the period	**119**	**110**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**52**	**56**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

24. Trade and other payables

	As of December 31, 2011	2010
	(In $ million)	
Trade payables	847	712
Related party payables (refer to note 30)	47	14
Other payables and accrued expenses	886	519
Total trade and other payables	**1,780**	**1,245**
Current	1,747	1,236
Non-current	33	9
Total trade and other payables	**1,780**	**1,245**

25. Borrowings

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		247	
2009 Credit Agreement(b)(v)			136
Pactiv 2012 Notes(m)(ac)		253	
Other borrowings(ae)		20	4
Current borrowings		**520**	**140**
August 2011 Credit Agreement(a)(u)		4,243	
2009 Credit Agreement(b)(v)			3,890
August 2011 Senior Secured Notes(c)(w)		1,468	
August 2011 Senior Notes(d)(w)		972	
February 2011 Senior Secured Notes(e)(x)		999	
February 2011 Senior Notes(f)(x)		993	
October 2010 Senior Secured Notes(g)(y)		1,473	1,470
October 2010 Senior Notes(h)(y)		1,466	1,464
May 2010 Notes(i)(z)		980	978
2009 Notes(j)(aa)		1,642	1,648
2007 Senior Notes(k)(ab)		606	621

2007 Senior Subordinated Notes(l)(ab)		530	542
Pactiv 2012 Notes(m)(ac)			261
Pactiv 2017 Notes(n)(ac)		314	316
Pactiv 2018 Notes(o)(ac)		17	17
Pactiv 2025 Notes(p)(ac)		269	269
Pactiv 2027 Notes(q)(ac)		197	197
Graham Packaging 2014 Notes(r)(ad)		367	
Graham Packaging 2017 Notes(s)(ad)		14	
Graham Packaging 2018 Notes(t)(ad)		19	
Related party borrowings	30	39	16
Other borrowings(ae)		33	28
Non-current borrowings		**16,641**	**11,717**
Total borrowings		**17,161**	**11,857**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,574	
Transaction costs	(65)	
Original issue discount	(19)	
Carrying amount	**4,490**	
(b) 2009 Credit Agreement (current and non-current)		4,150
Transaction costs		(86)
Original issue discount		(38)
Carrying amount		**4,026**
(c) August 2011 Senior Secured Notes	1,500	
Transaction costs	(33)	
Original issue discount	(11)	
Embedded derivative	12	
Carrying amount	**1,468**	
(d) August 2011 Senior Notes	1,000	
Transaction costs	(27)	
Original issue discount	(7)	
Embedded derivative	6	
Carrying amount	**972**	
(e) February 2011 Senior Secured Notes	1,000	
Transaction costs	(15)	
Embedded derivative	14	
Carrying amount	**999**	
(f) February 2011 Senior Notes	1,000	
Transaction costs	(17)	
Embedded derivative	10	
Carrying amount	**993**	

(g) October 2010 Senior Secured Notes	1,500	1,500
Transaction costs	(35)	(39)
Embedded derivative	8	9
Carrying amount	**1,473**	**1,470**
(h) October 2010 Senior Notes	1,500	1,500
Transaction costs	(43)	(46)
Embedded derivative	9	10
Carrying amount	**1,466**	**1,464**
(i) May 2010 Notes	1,000	1,000
Transaction costs	(28)	(31)
Embedded derivative	8	9
Carrying amount	**980**	**978**
(j) 2009 Notes	1,707	1,723
Transaction costs	(59)	(69)
Original issue discount	(17)	(19)
Embedded derivative	11	13
Carrying amount	**1,642**	**1,648**
(k) 2007 Senior Notes	621	638
Transaction costs	(15)	(17)
Carrying amount	**606**	**621**
(l) 2007 Senior Subordinated Notes	544	558
Transaction costs	(14)	(16)
Carrying amount	**530**	**542**

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(m) Pactiv 2012 Notes	249	249
Fair value adjustment at acquisition	4	12
Carrying amount	**253**	**261**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	16
Carrying amount	**314**	**316**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes	355	
Fair value adjustment at acquisition	5	
Embedded derivative	7	
Carrying amount	**367**	
(s) Graham Packaging 2017 Notes	14	
Carrying amount	**14**	
(t) Graham Packaging 2018 Notes	19	

Carrying amount **19**

(u) August 2011 Credit Agreement

Reynolds Group Holdings Limited (RGHL), the immediate parent of the Group, and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined below). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity Date	Original facility value	Value drawn or utilized at December 31, 2011	Applicable interest rate for the period ended December 31, 2011
		(In million)		
Term Tranches				
Tranche B Term Loan ($)(1)	February 9, 2018	2,325	2,283	4.250% - 6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,974	6.500%
European Term Loan ( )	February 9, 2018	250	246	5.000% - 6.750%
Revolving Tranches(2)				
Revolving Tranche ($)	November 5, 2014	120	85	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) In connection with the August 2011 Credit Agreement, the U.S. Term Loans under the February 2011 Credit Agreement were redesignated as Tranche B Term Loans .

(2) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

On September 8, 2011, $2,000 million of incremental term loans were drawn under the August 2011 Credit Agreement. These proceeds, together with the proceeds of the August 2011 Notes (as defined below) and available cash of the Group, were used to finance the Graham Packaging Acquisition (refer to note 33) and to pay related fees and expenses.

RGHL and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (each as defined below and together the Secured Notes). Graham Packaging Holdings Company and its subsidiaries (the Graham Group) have not guaranteed the August 2011 Credit Agreement or granted security to support the obligations under the August 2011 Credit Agreement.

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. Additional principal amortization payments of $50 million per quarter will be payable for so long as certain members of the Graham Group do not guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement (which excludes the assets and EBITDA of the Graham Group) and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of December 31, 2011, RGHL and the Group were in compliance with all of the covenants.

(v) February 2011 Credit Agreement and 2009 Credit Agreement

RGHL and certain members of the Group were parties to a senior secured credit agreement dated February 9, 2011 (the February 2011 Credit Agreement). The February 2011 Credit Agreement amended and restated a senior secured credit agreement dated November 5, 2009 (the 2009 Credit Agreement). On February 1, 2011, the Tranche D Term

Loan under the 2009 Credit Agreement was repaid with the proceeds of the February 2011 Notes and on February 9, 2011 the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan under the 2009 Credit Agreement were repaid with the proceeds of the U.S. Term Loan and European Term Loan under the February 2011 Credit Agreement.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

(w) August 2011 Notes

On August 9, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together the Reynolds Issuers) issued $1,500 million principal amount of 7.875% senior secured notes due 2019 (the August 2011 Senior Secured Notes) and $1,000 million principal amount of 9.875% senior notes due 2019 (the August 2011 Senior Notes and, together with the August 2011 Senior Secured Notes, the August 2011 Notes). Interest on the August 2011 Notes is paid semi-annually on February 15 and August 15.

(x) February 2011 Notes

On February 1, 2011, the Reynolds Issuers issued $1,000 million principal amount of 6.875% senior secured notes due 2021 (the February 2011 Senior Secured Notes) and $1,000 million principal amount of 8.250% senior notes due 2021 (the February 2011 Senior Notes and, together with the February 2011 Senior Secured Notes, the February 2011 Notes). Interest on the February 2011 Notes is paid semi-annually on February 15 and August 15.

(y) October 2010 Notes

On October 15, 2010, the Reynolds Issuers issued $1,500 million principal amount of 7.125% senior secured notes due 2019 (the October 2010 Senior Secured Notes) and $1,500 million principal amount of 9.000% senior notes due 2019 (the October 2010 Senior Notes and, together with the October 2010 Senior Secured Notes, the October 2010 Notes). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15.

(z) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000 million principal amount of 8.500% senior notes due 2018 (the May 2010 Notes). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

(aa) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125 million principal amount of 7.750% senior secured notes due 2016 and 450 million principal amount of 7.750% senior secured notes due 2016 (collectively, the 2009 Notes). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

The shares in BP I have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, BP I and certain subsidiaries of BP I have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms Governing the Notes

As used herein Notes refers to the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Notes and the 2009 Notes.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

Certain Guarantee and Security Arrangements

All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

Certain guarantors have granted security over certain of their assets to support the obligations under the Secured Notes. This security is expected to be shared on a first priority basis with the creditors under the August 2011 Credit Agreement.

Notes Indentures Restrictions

The respective indentures governing the Notes all contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the respective indentures governing the Notes.

Early Redemption Option and Change in Control Provisions

Under the respective indentures governing the Notes, the Reynolds Issuers, at their option, can elect to redeem the Notes under terms and conditions specified in the respective indentures. The terms of the early redemption constitute an embedded derivative. In accordance with the Group s accounting policy for embedded derivatives, the Group has recognized embedded derivatives in relation to the redemption provisions of the indentures governing the respective Notes.

Under the respective indentures governing the Notes, in certain circumstances which would constitute a change in control, the holders of the Notes have the right to require the Reynolds Issuers to repurchase the Notes at a premium.

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010 and ended on November 5, 2011. Additional interest on the May 2010 Notes commenced on May 4, 2011 and ends on May 4, 2012. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. For the period ended December 31, 2011, the Group expensed additional interest of $10 million,

$3 million, and $2 million related to the 2009 Notes, May 2010 Notes and October 2010 Notes, respectively. As of December 31, 2011, the accrued additional interest related to these series of notes was $3 million.

(ab) 2007 Notes

On June 29, 2007, BP II issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of BP I held by RGHL and the receivables under a loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the 2007 Notes to the extent permitted by law.

The indentures governing the 2007 Notes contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indentures governing the 2007 Notes.

In certain circumstances which would constitute a change in control, the holders of the 2007 Notes have the right to require BP II to repurchase the 2007 Notes at a premium.

(ac) Pactiv Notes

As of December 31, 2011 and December 31, 2010, the Group had outstanding**:**

$249 million in principal amount of 5.875% Notes due 2012 which were issued by Pactiv (as defined in note 33) (the Pactiv 2012 Notes);

$300 million in principal amount of 8.125% Debentures due 2017 which were issued by Pactiv (the Pactiv 2017 Notes);

$16 million in principal amount of 6.400% Notes due 2018 which were issued by Pactiv (the Pactiv 2018 Notes);

$276 million in principal amount of 7.950% Debentures due 2025 which were issued by Pactiv (the Pactiv 2025 Notes); and

$200 million in principal amount of 8.375% Debentures due 2027 which were issued by Pactiv (the Pactiv 2027 Notes),

(together, the Pactiv Notes).

For each of the Pactiv Notes, interest is paid semi-annually:

on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;

on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and

on the Pactiv 2027 Notes, April 15 and October 15.

The Pactiv Notes are not guaranteed by any member of the Group and are unsecured.

The indentures governing the Pactiv Notes contain a negative pledge clause limiting the ability of certain entities within the Group, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on principal manufacturing properties (as such term is defined in the indentures governing the Pactiv Notes) or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing property and (ii) sell and then take an immediate lease back of such principal manufacturing property.

The Pactiv 2012 Notes, the Pactiv 2017 Notes, the Pactiv 2018 Notes and the Pactiv 2027 Notes may be redeemed at any time at the Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption.

Refer to note 37 for further information regarding the repayment of the Pactiv 2012 Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ad) Graham Packaging Notes

As of December 31, 2011, the Group had outstanding:

$355 million in principal amount of 9.875% senior subordinated notes due 2014, which were issued by Graham Packaging Company L.P. and GPC Capital Corp. I (the Graham Issuers) (the Graham Packaging 2014 Notes);

$14 million in principal amount of 8.250% senior notes due 2017, which were issued by the Graham Issuers (the Graham Packaging 2017 Notes); and

$19 million in principal amount of 8.250% senior notes due 2018, which were issued by the Graham Issuers (the Graham Packaging 2018 Notes),

(together, the Graham Packaging Notes).

For each of the Graham Packaging Notes, interest is paid semi-annually:

on the Graham Packaging 2014 Notes, April 15 and October 15;

on the Graham Packaging 2017 Notes, January 1 and July 1; and

on the Graham Packaging 2018 Notes, April 1 and October 1.

The Graham Packaging Notes are guaranteed by certain members of the Graham Group and are unsecured.

The respective indentures governing the Graham Packaging Notes all contain customary covenants which restrict the Graham Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets, making restricted payments and entering into certain transactions with affiliates (which would include transactions with members of the Group that are not members of the Graham Group), in each case except as permitted under the respective indentures governing the Graham Packaging Notes.

The Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption plus a premium. The Graham Packaging 2014 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to (i) from October 15, 2011 through October 14, 2012, 101.646% of the outstanding principal of amount thereof; and (ii) thereafter, 100% of the outstanding principal amount thereof; plus, in each case, any accrued and unpaid interest to the date of redemption.

On the date of the Graham Packaging Acquisition, the Group acquired principal amounts of $253 million and $250 million of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, respectively. Following the closing of the Graham Packaging Acquisition, the Graham Issuers launched a change of control offer on

September 16, 2011 (the Change of Control Offer) to re-purchase for cash any or all of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes pursuant to the respective indentures governing such notes. On October 20, 2011 principal amounts of $239 million of the Graham Packaging 2017 Notes and $231 million of the Graham Packaging 2018 Notes were re-purchased pursuant to the Change of Control Offer. The Group paid a total of $482 million for the payment of principal, accrued interest and the change of control premium for the above notes tendered in the Change of Control Offer.

Refer to note 37 for further information regarding the repayment of the Graham Packaging Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ae) Other borrowings

As of December 31, 2011, in addition to the August 2011 Credit Agreement, the Notes, the 2007 Notes, the Pactiv Notes, and the Graham Packaging Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of December 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of December 31, 2011, the secured facilities were utilized in the amount of $25 million (2010: $4 million) in the form letters of credit and bank guarantees.

Other borrowings as of December 31, 2011, also included finance lease obligations of $28 million (2010: $28 million).

Term and debt repayment schedule

					As of December 31,			
	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
					(In $ million)			
August 2011 Credit Agreement:								
Tranche B Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	2,283	2,268		
Tranche C Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	1,974	1,906		
European Term Loan		EURIBOR with a floor of 1.500% + 5.250%		2018	317	316		
2009 Credit Agreement:								

Tranche A	$	LIBOR with a floor of 1.750% + 4.500%	6.250%	Repaid			500	485
Tranche B	$	LIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			1,016	980
Tranche C	$	LIBOR with a floor of 1.500% + 4.750%	6.250%	Repaid			790	767
Tranche D	$	LIBOR with a floor of 1.750% + 4.750%	6.500%	Repaid			1,520	1,474
European Term Loan		EURIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			324	320
August 2011 Senior Secured Notes		$7.875%		2019	1,500	1,468		
August 2011 Senior Notes		$9.875%		2019	1,000	972		
February 2011 Senior Secured Notes		$6.875%		2021	1,000	999		
February 2011 Senior Notes		$8.250%		2021	1,000	993		
October 2010 Senior Secured Notes		$7.125%	7.125%	2019	1,500	1,473	1,500	1,470
October 2010 Senior Notes		$9.000%	9.000%	2019	1,500	1,466	1,500	1,464
May 2010 Notes		$8.500%	8.500%	2018	1,000	980	1,000	978
2009 Notes		7.750%	7.750%	2016	582	571	598	585
2009 Notes		$7.750%	7.750%	2016	1,125	1,071	1,125	1,063
2007 Senior Notes		8.000%	8.000%	2016	621	606	638	621
2007 Senior Subordinated Notes		9.500%	9.500%	2017	544	530	558	542
Pactiv 2012 Notes		$5.875%	5.875%	2012	249	253	249	261
Pactiv 2017 Notes		$8.125%	8.125%	2017	300	314	300	316
Pactiv 2018 Notes		$6.400%	6.400%	2018	16	17	16	17
		$7.950%	7.950%	2025	276	269	276	269

Pactiv 2025
Notes

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

25. Borrowings (continued)

	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	As of December 31, 2011 Face value	2011 Carrying amount (In $ million)	2010 Face value	2010 Carrying amount
Pactiv 2027 Notes		$8.375%	8.375%	2027	200	197	200	197
Graham Packaging 2014 Notes		$9.875%		2014	355	367		
Graham Packaging 2017 Notes		$8.250%		2017	14	14		
Graham Packaging 2018 Notes		$8.250%		2018	19	19		
Related party borrowings		EURIBOR + 2.38	3.01% - 3.32%	n/a	16	16	16	16
Related party borrowings		EURIBOR with a floor of 2.000% + 4.875%		n/a	23	23		
Finance lease liabilities	Various	Various	Various	Various	28	28	28	28
Other borrowings	Various	Various	Various	Various	25	25	4	4
					17,467	**17,161**	**12,158**	**11,857**

Finance lease liabilities

Finance lease liabilities are payable as follows:

	As of December 31, 2011 Minimum lease payments	2011 Interest	2011 Principal (In $ million)	2010 Minimum lease payments	2010 Interest	2010 Principal

Less than one year	3	1	2	5	2	3
Between one and five years	11	6	5	13	6	7
More than five years	27	6	21	26	8	18
Total finance lease liabilities	**41**	**13**	**28**	**44**	**16**	**28**

26. Employee Benefits

	As of December 31,	
	2011	2010
	(In $ million)	
Salary and wages accrued	128	134
Provision for annual leave	64	32
Provision for employee benefits	8	5
Provision for long service leave	15	5
Provision for sick leave	6	5
Defined contribution obligations	34	31
Defined benefit obligations:		
Pension benefits	766	785
Post-employment medical benefits	140	169
Total employee benefits	**1,161**	**1,166**
Current	227	195
Non-current	934	971
Total employee benefits	**1,161**	**1,166**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

26.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, United Kingdom, Mexico and the United States. The Group s most significant plan as of December 31, 2011 is the Pactiv Retirement Plan, which comprises 80% (2010: 85%), of the Group s present value of obligations. The plan was assumed as part of the Pactiv Acquisition.

	As of December 31,	
	2011	**2010**
	(In $ million)	
Present value of unfunded obligations	157	228
Present value of funded obligations	5,276	4,708
Unrecognized actuarial gains (losses)	(484)	129
Total present value of obligations	**4,949**	**5,065**
Fair value of plan assets	(4,261)	(4,433)
Asset capping according to IAS 19, paragraph 58		135
Total pension benefits	**688**	**767**
Included in the statement of financial position as:		
Employee benefits liabilities	766	785
Assets held for sale	(1)	
Other non-current assets and non-current receivables	(77)	(18)
Total pension benefits	**688**	**767**

Movement in the defined benefit obligation

	As of December 31,	
	2011	**2010**
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	4,936	718
Defined benefit obligations assumed in business combinations	241	4,267
Current service cost	29	14
Past service cost		11

Interest cost	245	55
Contributions by plan participants	2	2
Benefits paid by the plan	(341)	(92)
Curtailments(a)	3	
Settlements(b)		(39)
Actuarial (gains) losses on plan liabilities	349	(40)
Changes in actuarial assumptions		1
Reclassifications from employee benefits		(2)
Defined benefit obligations related to disposals of businesses(a)	(18)	
Effect of movements in exchange rates	(13)	41
Liability for defined benefit obligations at the end of the period	**5,433**	**4,936**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

(a) During 2011, certain personnel participating under the SIG pension and welfare fund of SIG Schweizerische Industrie Gesellschaft AG were terminated without further plan benefits through a management buy-out which resulted in a curtailment loss of $3 million.

On September 1, 2011, the Group announced to participants in the Pactiv Retirement Plan that the plan was being frozen and that no future benefits would be earned effective January 1, 2012. There was no curtailment impact on comprehensive income as a result of freezing the plan and no effect on the plan s defined benefit obligation.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition in November 2010 (refer to note 33). Certain settlements made in the period ended December 31, 2010, were not funded by plan assets.

Of the above liability for the defined benefit obligation, the liability related to the Pactiv Retirement Plan was $4,254 million as of December 31, 2011 (2010: $4,086 million).

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Current service cost	29	14	14
Past service cost		11	10
Interest cost	245	55	29
Expected return on plan assets	(312)	(67)	(29)
Curtailments	3		(3)
Asset capping according to IAS 19, paragraph 58		(37)	49
Changes in actuarial assumptions			1
Actuarial (gains) losses	10	34	(45)
Total plan net (income) expense	**(25)**	**10**	**26**

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	**2010**	**2009**

	(In $ million)		
Cost of sales	22	13	18
General and administration expenses	(47)	(3)	8
Total plan (income) expense	**(25)**	**10**	**26**

During the period ended December 31, 2011, the net plan income of the Pactiv Retirement Plan was $49 million (2010: $5 million net plan expense for the period from November 16, 2010 to December 31, 2010).

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in plan assets

	As of December 31, 2011	2010
	(In $ million)	
Fair value of the plan assets at the beginning of the period	4,433	736
Plan assets assumed in business combinations	123	3,546
Contributions by the Group	27	67
Contributions by plan participants	2	2
Benefits paid by the plans	(341)	(92)
Expected return on plan assets	312	67
Actuarial gains (losses) on plan assets	(277)	81
Settlements		(39)
Plan assets related to disposals of businesses	(18)	
Effects of movements in exchange rates		63
Transfer of assets to the plan		2
Fair value of plan assets at the end of the period	**4,261**	**4,433**

The above plan assets as of December 31, 2011 and 2010 include the Pactiv Retirement Plan assets of $3,362 million and $3,622 million, respectively. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As of December 31, 2011 and 2010, $27 million and $28 million in cash, respectively, included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As of December 31, 2011	2010
	(In $ million)	
Equity instruments	2,620	2,858
Debt instruments	1,270	1,304
Property	214	207
Other	157	64
Total plan assets	**4,261**	**4,433**

Actual return on plan assets	**35**	**148**

The actual return on plan assets includes the actual return on plan assets of the Pactiv Retirement Plan of $21 million for the period ended December 31, 2011 and $125 million for the period from November 16, 2010 to December 31, 2010.

The Group expects to contribute $36 million to the pension plans during the annual period beginning after the reporting date.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Actuarial assumptions all plans

	For the period ended December 31, 2011	2010	2009
Discount rates at December 31	1.8% - 8.25%	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	2.0% - 9.0%	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 5.0%	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 4.0%	0.0% - 2.0%	0.0% - 2.0%

The expected long-term rate of return for each plan is based on the portfolio as a whole and not on the sum of the returns on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The actuarial assumptions on the Group s most significant defined benefit pension plan for the period ended December 31, 2011 and 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31, 2011	2010
Discount rates at December 31	4.8%	5.2%
Expected returns on plan assets at January 1	7.8%	7.8%
Future salary increases	%	4.0%
Future pension increases	%	2.7%

The actuarial assumptions on the Group s most significant defined benefit pension plan prior to the Pactiv Acquisition in November 2010, being the SIG Combibloc Group AG plan, are as follows:

	For the period ended December 31, 2010	2009
Discount rates at December 31	3.3%	3.5%
Expected returns on plan assets at January 1	4.2%	4.3%
Future salary increases	2.5%	2.0%
Future pension increases	2.0%	1.0%

Historical information

	For the period ended December 31,				
	2011	2010	2009	2008	2007
	(In $ million)				
Liability for the defined benefit obligations	(5,433)	(4,936)	(718)	(694)	(621)
Fair value of plan assets	4,261	4,433	736	665	674
Plan (deficit) surplus	**(1,172)**	**(503)**	**18**	**(29)**	**53**
Experience adjustments arising on plan liabilities	(99)	(3)	(4)	1	
Experience adjustments arising on plan assets	(277)	14	(46)	9	

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The assumed discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in assumed discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	7	(5)
Effect on the defined benefit obligation	(274)	267

The expected rates of return on plan assets have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in expected rates of return on plan assets would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	22	(22)
Effect on the defined benefit obligation		

26.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans mainly in the United States. The liability for the post-employment medical benefits has been assessed using the same assumptions as for the pension benefits, together with the assumption of a weighted average healthcare cost trend rate of 8.0% in 2011 (2010: 7.9% and 2009: 8.0%).

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2011 and 2010.

	As of December 31,	
	2011	2010
	(In $ million)	
Present value of unfunded obligations	147	158
Unrecognized actuarial gains (losses)	(7)	3
Unrecognized past service costs	5	8
Total present value of obligations	145	169
Fair value of plan assets		

Total post-employment medical benefits	**145**	**169**

The Group expects to contribute $9 million to the post-employment medical benefit plans during the annual period ending December 31, 2012.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in the defined benefit obligation

	For the period ended December 31,	
	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	158	87
Defined benefit obligations assumed in a business combination	1	71
Current service cost	3	2
Interest cost	8	5
Past service cost(b)	(7)	
Contributions by plan participants	4	1
Benefits paid by the plan	(12)	(3)
Plan amendments(a)		(1)
Curtailments(b)	(17)	
Actuarial (gains) losses recognized	9	(4)
Liability for defined benefit obligations at the end of the period	**147**	**158**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $1 million.

(b) On August 8, 2011, the Group terminated Pactiv retiree medical coverage, except for those who retired prior to 2003, which resulted in a curtailment gain of $17 million. The Group also capped the retiree life insurance benefit associated with the retiree medical plan. These actions resulted in a reduction of $7 million in past service costs during the period ended December 31, 2011.

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Current service cost	3	2	3
Interest cost	8	5	5
Past service cost	(10)	(2)	(2)

Curtailments	(17)		5
Actuarial losses recognized			1
Plan amendments		(1)	
Total (income) expense recognized in the statement of comprehensive income	**(16)**	**4**	**12**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Cost of sales	5	4	7
General and administration expenses	(21)		5
Total plan (income) expense	**(16)**	**4**	**12**

Assumed health care cost trend rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in assumed health care cost trend rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	4	(3)

Discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	(8)	9

Historical information

	For the period ended December 31,				
	2011	2010	2009	2008	2007
	(In $ million)				

Present value of the defined benefit obligation	147	158	87	86	25
Experience adjustments arising on plan liabilities	3	5		(1)	

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

27. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Balance as of December 31, 2010	41	12	17	35	55	160
Acquisitions through business combinations	12	4	1	12	20	49
Provisions made	2	8	90	18	18	136
Provisions used	(9)	(13)	(69)	(15)	(9)	(115)
Provisions reversed	(5)	(2)	(2)		(1)	(10)
Transfers to other liabilities	(3)	2	(1)		9	7
Effect of movements in exchange rates	(1)				(1)	(2)
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Total Provisions as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	16	12	17	17	12	74
Non-current	25			18	43	86
Total Provisions as of December 31, 2010	**41**	**12**	**17**	**35**	**55**	**160**

Legal

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. While it is not possible to predict the outcome of any of these matters, based on management s assessment of the facts and circumstances now known, management does not believe any of these matters, individually or in the aggregate, will have a material effect on the Group s financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on the Group s financial position, results of operations or cash flows in a particular future period.

Warranty

A provision for warranty is recognized for all products under warranty as of the reporting date based on sales volumes and past experience of the level of problems reported and product returns.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

Workers compensation

The Group has elected to self-insure certain of its workers compensation obligations in the United States.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

27. Provisions (continued)

Under the self-insurance programs in the United States, the Group retains the risk of work related injuries for any employees covered under the scheme.

The liability in respect of the self-insurance programs is estimated on an actuarial basis to reflect all claims incurred, including reported claims and those that are incurred but not yet reported. All changes in the liability for claims are recognized immediately in the statement of comprehensive income.

As a result of the Group s self-insured status in the United States, the risk presently exists that an insurable event may occur which will result in a claim which cannot be readily quantified financially. By their very nature, risks of this type are inherently random and therefore unpredictable. The Group mitigates this risk by having established and approved occupational health and safety procedures in addition to resources directed to the management of claims and rehabilitation.

As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size.

Other provisions

The main components of other provisions are lease provisions and contingent liabilities recognized in acquisitions, environmental remediation, asset retirement obligations, brokerage provisions for customs duties, and rent contracts related to investment properties. Other provisions as of December 31, 2011 included $26 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition and the Dopaco Acquisition, $17 million related to asset retirement obligations, which were acquired in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $10 million related to environmental remediation programs. Other provisions as of December 31, 2010 included $29 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition, $5 million related to a contingent tax liability acquired in the Pactiv Acquisition and $9 million related to environmental remediation programs.

28. Equity

28.1 Share capital

The reported share capital balance as of December 31, 2011 is that of BP I and BP II.

In accordance with the Group s accounting policy in respect of common control transactions (refer to note 3.2(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that the common control originally commenced rather than the date that the common control transactions actually occurred. As a result, the reported share capital balance as of January 1, 2010, is that of the BP I, BP II, EPI, Evergreen Packaging International B.V. (EPIBV), Reynolds Packaging Inc. (RPI) (now named Reynolds Packaging Holdings LLC), and Reynolds Packaging International B.V. (RPIBV).

On September 1, 2010, the issued capital of RPI and RPIBV was acquired by entities controlled by the BP I. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $149 million difference between the consideration paid of $342 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $193 million has been recognized as a debit to other reserves which is a component of equity.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

28. Equity (continued)

On May 4, 2010, the issued capital of EPI and EPIBV was acquired by entities controlled by BP I. From this date, each of EPI and EPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $899 million difference between the consideration paid of $1,612 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $713 million has been recognized as a debit to other reserves which is a component of equity.

On November 5, 2009, the issued capital of Reynolds Consumer Products Holdings Inc. (RCPHI) (now named Reynolds Consumer Products Holdings LLC), Reynolds Consumer Products International B.V. (RCPIBV) and Closure Systems International B.V. (CSIBV) was acquired by entities controlled by BP I. From this date, each of RCPHI, RCPIBV, and CSIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $584 million difference between the consideration paid of $1,692 million (representing the fair value of the businesses acquired determined at the date of the common control acquisitions) and the share capital acquired of $1,108 million has been recognized as a debit to other reserves which is a component of equity.

A summary of the impact of these transactions recognized in other reserves within equity is as follows:

	Reynolds Consumer	Closures	Evergreen	Reynolds Foodservice
		(In $ million)		
Total consideration	984	708	1,612	342
Net book value of share capital of the acquired businesses	(641)	(467)	(713)	(193)
Difference between total consideration and book value of share capital of the acquired business (recognized in other reserves within equity)	343	241	899	149

During the period ended December 21, 2010, the Group recognized a total adjustment of $1,048 million (2009: $584 million) for the above common control transaction related to the Evergreen and Reynolds Foodservice acquisitions as a component of other reserves within equity.

Further information regarding the issued capital of each of the entities is detailed below:

Beverage Packaging Holdings (Luxembourg) I S.A.

	For the period ended December 31,		
Number of shares	**2011**	**2010**	**2009**
Balance as of the beginning of the period	13,063,527	13,063,527	13,063,527

Issue of shares			
Balance as of December 31	**13,063,527**	**13,063,527**	**13,063,527**

On November 16, 2010, RGHL contributed $322 million.

On November 6, 2009, RGHL contributed $544 million.

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to once vote per share. All shares rank equally with regard to BP I s residual assets in the event of a wind-up.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

28. Equity (continued)

Beverage Packaging Holdings (Luxembourg) II S.A.

	For the period ended December 31,		
	2011	**2010**	**2009**
	Number of shares		
Balance at the beginning of the period	1,000	1,000	1,000
Issue of shares			
Balance as of December 31	**1,000**	**1,000**	**1,000**

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to BP II s residual assets in the event of a wind-up.

28.2 Reserves

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Translation reserve	309	330	53
Other reserves	(1,561)	(1,561)	(513)
Balance	**(1,252)**	**(1,231)**	**(460)**

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currencies to the Group s presentation currency.

Other reserves

The other reserves comprise balances resulting from transactions with entities under common control.

In accordance with the Group s accounting policy for transactions under common control (refer to note 3.2(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010 (refer to Note 28.1).

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions.

28.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2011 (2010: none; 2009: none) by BP I or BP II.

On August 31, 2010, RPI paid a dividend of $39 million, of which $38 million was paid in cash and $1 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

28. Equity (continued)

28.4 Capital management

The Directors are responsible for monitoring and managing the Group s capital structure. Capital is comprised of equity and external borrowings.

The Directors policy is to maintain an acceptable capital base to promote the confidence of the Group s financiers and creditors and to sustain the future development of the business. The Directors monitor the Group s financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures, including for example to dispose of assets or operating segments of the business, alter its short to medium term plans in respect of capital projects and working capital levels, or to re-balance the level of equity and external debt in place.

29. Financial risk management

29.1 Overview

This note presents information about the Group s exposure to market risk, credit risk and liquidity risk, and where applicable, the Group s objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arises in the normal course of the Group s business. The Directors of the Group and the ultimate parent entity have overall responsibility for the establishment and oversight of the Group s risk management framework.

The Directors have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Risk management is primarily carried out by the treasury function of the Group. The Directors have delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the treasury function.

Monthly combined treasury reports are prepared for the Directors and officers of the Group, who ensure compliance with the risk management policies and procedures.

29.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Group s cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes.

(a) Foreign exchange risk

Translation risk

As a result of the Group s international operations, foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ( ), Mexican Pesos (MXN) and Canadian Dollars (CA$)

F-419

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

In accordance with the Group s treasury policy, the Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate, the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

Exposure to foreign exchange risk

		MXN	CA$
	(In $ million)		
As of December 31, 2011			
Cash and cash equivalents	99	11	7
Trade and other receivables	141	73	21
Non-current receivables	7		
Trade and other payables	(209)	(43)	(12)
Loans and borrowings:			
August 2011 Credit Agreement	(316)		
2009 Notes	(571)		
2007 Senior Notes	(606)		
2007 Senior Subordinated Notes	(530)		
Other borrowings	(1)		
Related party borrowings	(39)		
Total exposure	**(2,025)**	**41**	**16**
Embedded derivative	9		
Commodity derivative	(3)		
Effect of derivative contracts	6		
Net exposure	**(2,019)**	**41**	**16**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

		MXN	CA$
		(In $ million)	
As of December 31, 2010			
Cash and cash equivalents	81	9	14
Trade and other receivables	120	47	13
Non-current receivables	24		
Trade and other payables	(152)	(16)	(2)
Loans and borrowings:			
2009 Credit Agreement	(320)		
2009 Notes	(585)		
2007 Senior Notes	(621)		
2007 Senior Subordinated Notes	(542)		
Other borrowings	(2)		
Related party borrowings	(16)		
Total exposure	**(2,013)**	**40**	**25**
Embedded derivative	16		
Commodity derivative			
Effect of derivative contracts	16		
Net exposure	**(1,997)**	**40**	**25**

Cash flows associated with derivatives are expected to occur and impact the profit or loss component of the statement of comprehensive income in the next twelve months.

In addition to the above, the Group is exposed to foreign exchange risk on future sales and purchases that are denominated in foreign currencies.

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31,	As of December 31

	2011	2010	2011	2010
1	1.39	1.33	1.32	1.33
10 MXN	0.80	0.79	0.71	0.81
1 CA $	1.01	0.97	0.98	1.00

Sensitivity analysis

A change in exchange rates would impact future payments and receipts of the Group s assets and liabilities denominated in foreign currencies. A 10% strengthening or weakening of the $ against the following currencies at the reporting date would have (increased) decreased comprehensive income in the statement of

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Comprehensive income for the period ended December 31, 2011	
	10% strengthening of $	10% weakening of $
	(In $ million)	
	(202)	202
MXN	4	(4)
CA $	2	(2)

The Group s primary exposure to foreign exchange risk is on the translation of net assets of Group entities which are denominated in currencies other than $, which is the Group s reporting currency. The impact of movements in exchange rates is therefore recognized in other comprehensive income.

Transaction risk

The Group has $1,583 million of $ denominated notes in an entity with a functional currency of . A 10% strengthening of the $ against the would have resulted in a $158 million loss recognized as a financial expense in the statement of comprehensive income. A 10% weakening would have an equal but opposite effect.

Certain subsidiaries within the Group are exposed to foreign exchange risk on intercompany borrowings, sales and purchases denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the net operating profit recognized in the profit or loss component of the Group s statement of comprehensive income.

(b) Interest rate risk

The Group s interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group has exposure to both floating and fixed interest rates on borrowings primarily denominated in $ and .

Interest rate risk on borrowings at floating rates is partially offset by interest earned on cash deposits also at floating rates.

The Group has adopted a policy, which is consistent with the covenants under the August 2011 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out the Group s interest rate risk repricing profile:

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2011						
Fixed rate instruments						
Loans and borrowings:						
August 2011 Senior Secured Notes	(1,500)					(1,500)
August 2011 Senior Notes	(1,000)					(1,000)
February 2011 Senior Secured Notes	(1,000)					(1,000)
February 2011 Senior Notes	(1,000)					(1,000)
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,707)				(1,707)	
2007 Senior Notes	(621)					(621)
2007 Senior Subordinated Notes	(544)					(544)
Pactiv 2012 Notes	(249)		(249)			
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Graham Packaging 2014 Notes	(355)				(355)	
Graham Packaging 2017 Notes	(14)					(14)
Graham Packaging 2018 Notes	(19)					(19)
Other borrowings	(33)	(4)	(1)	(2)	(4)	(22)
Total fixed rate instruments	**(12,834)**	**(4)**	**(250)**	**(2)**	**(2,066)**	**(10,512)**
Floating rate instruments						
Cash and cash equivalents	597	597				
Bank overdrafts	(3)	(3)				
Loans and borrowings:						
August 2011 Credit Agreement	(4,574)	(4,574)				
Related party borrowings	(39)	(39)				
Other borrowings	(20)	(19)		(1)		
Total variable rate instruments	**(4,039)**	**(4,038)**		**(1)**		

Total	**(16,873)**	**(4,042)**	**(250)**	**(3)**	**(2,066)**	**(10,512)**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,723)					(1,723)
2007 Senior Notes	(638)					(638)
2007 Senior Subordinated Notes	(558)					(558)
Pactiv 2012 Notes	(249)			(249)		
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Other borrowings	(31)	(1)	(2)	(1)	(1)	(26)
Total fixed rate instruments	**(7,991)**	**(1)**	**(2)**	**(250)**	**(1)**	**(7,737)**
Floating rate instruments						
Cash and cash equivalents	663	663				
Bank overdrafts	(12)	(12)				
Loans and borrowings:						
2009 Credit Agreement	(4,150)	(4,150)				
Related party borrowings	(16)	(16)				
Other borrowings	(3)	(3)				
Total variable rate instruments	**(3,518)**	**(3,518)**				
Total	**(11,509)**	**(3,519)**	**(2)**	**(250)**	**(1)**	**(7,737)**

The Group s sensitivity to interest rate risk can be expressed in two ways:

Fair value sensitivity analysis

A change in interest rates impacts the fair value of the Group s fixed rate borrowings. Given all debt instruments are carried at amortized cost, a change in interest rates would not impact the profit or loss component of the statement of comprehensive income.

Cash flow sensitivity analysis

A change in interest rates would impact future interest payments and receipts on the Group s floating rate assets and liabilities. An increase or decrease in interest rates of 100 basis points at the reporting date would impact the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. The analysis is performed on the same basis for comparative periods.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

As of December 31, 2011, most of the Group s debt has been issued with a fixed interest rate. While interest on the August 2011 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor of between 1.25% and 1.50%. Given current LIBOR/EURIBOR rates, a 1% decrease in interest rates would have no impact on interest expense on this facility due to the LIBOR floor. However, a 1% increase in interest rates would have a $3 million impact on interest expense.

(c) Commodity and other price risk

Commodity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group s exposure to commodity and other price risk arises principally from the purchase of resin (and its components), natural gas and aluminum. Other than resin, natural gas and certain aluminum purchases, the Group generally purchases these commodities at spot market prices and commodity financial instruments or derivatives to hedge commodity prices are not used.

The Group s objective is to ensure that its commodity and other price risk exposure is kept at an acceptable level. In accordance with the Group s treasury policy, the Group enters into derivative instruments to hedge the Group s exposure in relation to the cost of resin, natural gas and aluminum.

The following table provides the detail of out outstanding derivative contracts as of December 31, 2011:

Type	Unit of measure	Contracted volumes	Contracted price range	Contracted date of maturity
Resin futures	LB	18,000,000	$0.98 - $1.00	Jan 2012 - Dec 2012
Resin futures	MT	10,000	1,420	Jul 2012 - Oct 2012
Resin futures	KL	16,900	JPY 48,100 - 51,700	Jan 2012 - Aug 2012
Aluminum swaps	MT	29,171	$1,940 - $2,816	Jan 2012 - Dec 2014
Natural gas swaps	MMBTU	2,742,627	$3.33 - $4.88	Jan 2012 - Feb 2013
Ethylene swaps	LB	11,637,600	$0.43 - $0.62	Feb 2012 - June 2012
Benzene swaps	GAL	4,299,389	$3.45 - $3.84	Feb 2012 - June 2012

The fair values of the derivative contracts are based on quoted market prices or traded exchange market prices and represent the estimated amounts that the Group would pay or receive to terminate the contracts. During the period ended December 31, 2011, the Group recognized an unrealized loss of $26 million (2010: unrealized gain of $4 million; 2009: unrealized gain of $129 million) as a component of other income in the statements of comprehensive income. During the period ended December 31, 2011, the Group recognized a realized gain of $7 million (2010: realized loss of $11 million; 2009: realized loss of $96 million) as a component of cost of sales in the statements of comprehensive income.

The impact on the statement of comprehensive income from a revaluation of derivative contracts at December 31, 2011 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $15 million (2010: none; 2009: gain of $13 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group s receivables from customers and related entities.

Given the diverse range of operations and customers across the Group, the Directors have delegated authority for credit control procedures to each of the segments within the Group. Each operating business is responsible for managing its own credit control procedures. These include but are not limited to reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade. If considered appropriate the operating business may take out insurance for specific debtors.

Generally the Group does not require collateral in respect of trade and other receivables. Goods are generally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. For certain sales letters of credit are obtained.

The Group s exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 16.

Historically there has been a low level of losses resulting from default by customers and related entities. The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by making deposits and entering into derivative instruments with counterparties that have a credit rating of at least investment grade. Given these high credit ratings, management does not expect any such counterparty to fail to meet its obligations.

29.4 Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group s approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with bank covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. As of December 31, 2011, the Group had undrawn lines of credit under the revolving facilities of the August 2011 Credit Agreement totaling $35 million and 63 million ($82 million) (2010: $71 million and 56 million ($74 million) under the 2009 Credit Agreement). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

The following table sets out contractual cash flows for all financial liabilities including commodity derivatives.

	Carrying amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
				(In $ million)			
As of December 31, 2011							
Non-derivative financial liabilities							
Bank overdrafts	(3)	(3)	(3)				
Trade and other payables	(1,747)	(1,747)	(1,747)				
Non-current payables	(33)	(33)			(33)		
Loans and borrowings:							
August 2011 Credit Agreement	(4,490)	(6,142)	(271)	(267)	(522)	(1,471)	(3,611)
August 2011 Senior Secured Notes	(1,468)	(2,444)	(59)	(59)	(118)	(354)	(1,854)
August 2011 Senior Notes	(972)	(1,789)	(49)	(49)	(99)	(296)	(1,296)
February 2011 Senior Secured Notes	(999)	(1,652)	(34)	(34)	(69)	(206)	(1,309)
February 2011 Senior Notes	(993)	(1,784)	(41)	(41)	(83)	(248)	(1,371)
October 2010 Senior Secured Notes	(1,473)	(2,301)	(53)	(53)	(107)	(321)	(1,767)
October 2010 Senior Notes	(1,466)	(2,514)	(68)	(68)	(135)	(405)	(1,838)
May 2010 Notes	(980)	(1,554)	(43)	(43)	(85)	(255)	(1,128)
2009 Notes	(1,642)	(2,368)	(66)	(66)	(132)	(2,104)	
2007 Senior Notes	(606)	(870)	(25)	(25)	(50)	(770)	
2007 Senior Subordinated Notes	(530)	(803)	(26)	(26)	(52)	(699)	
Pactiv 2012 Notes	(253)	(264)	(7)	(257)			
Pactiv 2017 Notes	(314)	(433)	(12)	(12)	(24)	(73)	(312)
Pactiv 2018 Notes	(17)	(23)	(1)	(1)	(1)	(3)	(17)
Pactiv 2025 Notes	(269)	(584)	(11)	(11)	(22)	(66)	(474)
Pactiv 2027 Notes	(197)	(459)	(8)	(8)	(17)	(50)	(376)
Graham Packaging 2014 Notes	(367)	(461)	(18)	(18)	(35)	(390)	
Graham Packaging 2017 Notes	(14)	(21)	(1)	(1)	(1)	(3)	(15)
Graham Packaging 2018 Notes	(19)	(31)	(1)	(1)	(2)	(5)	(22)

Related party borrowings	(39)	(57)		(2)	(2)	(5)	(48)
Other borrowings	(53)	(66)	(25)	(2)	(5)	(9)	(25)
	(18,944)	**(28,403)**	**(2,569)**	**(1,044)**	**(1,594)**	**(7,733)**	**(15,463)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows		26	17	9			
Outflows	(15)	(41)	(27)	(14)			
	(15)	**(15)**	**(10)**	**(5)**			
Total	**(18,959)**	**(28,418)**	**(2,579)**	**(1,049)**	**(1,594)**	**(7,733)**	**(15,463)**

F-427

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Carrying amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)				
As of December 31, 2010							
Non-derivative financial liabilities							
Bank overdrafts	(12)	(12)	(12)				
Trade and other payables	(1,236)	(1,236)	(1,236)				
Non-current payables	(9)	(9)			(9)		
Loans and borrowings:							
2009 Credit Agreement	(4,026)	(5,381)	(176)	(198)	(419)	(1,986)	(2,602)
October 2010 Senior Secured Notes	(1,470)	(2,407)	(53)	(53)	(107)	(320)	(1,874)
October 2010 Senior Notes	(1,464)	(2,649)	(68)	(68)	(135)	(405)	(1,973)
May 2010 Notes	(978)	(1,639)	(43)	(43)	(85)	(255)	(1,213)
2009 Notes	(1,648)	(2,526)	(67)	(67)	(134)	(401)	(1,857)
2007 Senior Notes	(621)	(945)	(26)	(26)	(51)	(153)	(689)
2007 Senior Subordinated Notes	(542)	(904)	(27)	(27)	(53)	(159)	(638)
Pactiv 2012 Notes	(261)	(278)	(7)	(7)	(264)		
Pactiv 2017 Notes	(316)	(457)	(12)	(12)	(24)	(73)	(336)
Pactiv 2018 Notes	(17)	(24)	(1)	(1)	(1)	(3)	(18)
Pactiv 2025 Notes	(269)	(606)	(11)	(11)	(22)	(66)	(496)
Pactiv 2027 Notes	(197)	(476)	(8)	(8)	(17)	(50)	(393)
Related party borrowings	(16)	(19)					(19)
Other borrowings	(32)	(43)	(3)	(3)	(2)	(6)	(29)
	(13,114)	**(19,611)**	**(1,750)**	**(524)**	**(1,323)**	**(3,877)**	**(12,137)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows	11	52	35	17			
Outflows		(41)	(25)	(16)			
	11	**11**	**10**	**1**			
Total	**(13,103)**	**(19,600)**	**(1,740)**	**(523)**	**(1,323)**	**(3,877)**	**(12,137)**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.5 Classification and fair values

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
As of December 31, 2011						
Assets						
Cash and cash equivalents			597		597	597
Current and non-current receivables			1,551		1,551	1,551
Derivative financial assets						
Commodity contracts	1				1	1
Embedded derivatives	122				122	122
Total assets	**123**		**2,148**		**2,271**	**2,271**
Liabilities						
Bank overdrafts				(3)	(3)	(3)
Trade and other payables				(1,747)	(1,747)	(1,747)
Other non-current payables				(33)	(33)	(33)
Derivative financial liabilities						
Commodity contracts	(16)				(16)	(16)
Loans and borrowings:						
August 2011 Credit Agreement				(4,490)	(4,490)	(4,574)
August 2011 Senior Secured Notes				(1,468)	(1,468)	(1,560)
August 2011 Senior Notes				(972)	(972)	(960)
February 2011 Senior Secured Notes				(999)	(999)	(979)
February 2011 Senior Notes				(993)	(993)	(873)
October 2010 Senior Secured Notes				(1,473)	(1,473)	(1,564)
October 2010 Senior Notes				(1,466)	(1,466)	(1,416)
May 2010 Notes				(980)	(980)	(956)
2009 Notes				(1,642)	(1,642)	(1,758)
2007 Senior Notes				(606)	(606)	(527)
2007 Senior Subordinated Notes				(530)	(530)	(433)
Pactiv 2012 Notes				(253)	(253)	(249)
Pactiv 2017 Notes				(314)	(314)	(242)
Pactiv 2018 Notes				(17)	(17)	(11)

Pactiv 2025 Notes		(269)	(269)	(187)
Pactiv 2027 Notes		(197)	(197)	(142)
Graham Packaging 2014 Notes		(367)	(367)	(362)
Graham Packaging 2017 Notes		(14)	(14)	(13)
Graham Packaging 2018 Notes		(19)	(19)	(19)
Related party borrowings		(39)	(39)	(39)
Other borrowings		(53)	(53)	(53)
Total liabilities	**(16)**	**(18,944)**	**(18,960)**	**(18,716)**

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
As of December 31, 2010						
Assets						
Cash and cash equivalents			663		663	663
Current and non-current receivables			1,192		1,192	1,192
Derivative financial assets						
Commodity contracts	12				12	12
Embedded derivatives	87				87	87
Total assets	**99**		**1,855**		**1,954**	**1,954**
Liabilities						
Bank overdrafts				(12)	(12)	(12)
Trade and other payables				(1,236)	(1,236)	(1,236)
Other non-current payables				(9)	(9)	(9)
Derivative financial liabilities						
Commodity contracts	(1)				(1)	(1)
Loans and borrowings:						
2009 Credit Agreement				(4,026)	(4,026)	(4,150)
October 2010 Senior Secured Notes				(1,470)	(1,470)	(1,553)
October 2010 Senior Notes				(1,464)	(1,464)	(1,549)
May 2010 Notes				(978)	(978)	(1,015)
2009 Notes				(1,648)	(1,648)	(1,810)
2007 Senior Notes				(621)	(621)	(641)
2007 Senior Subordinated Notes				(542)	(542)	(575)
Pactiv 2012 Notes				(261)	(261)	(257)
Pactiv 2017 Notes				(316)	(316)	(297)
Pactiv 2018 Notes				(17)	(17)	(15)
Pactiv 2025 Notes				(269)	(269)	(236)
Pactiv 2027 Notes				(197)	(197)	(179)
Related party borrowings				(16)	(16)	(16)
Other borrowings				(32)	(32)	(32)
Total liabilities	**(1)**			**(13,114)**	**(13,115)**	**(13,583)**

The methods used in determining fair values of financial instruments are disclosed in note 5.

29.6 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group s financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Level 1	Level 2	Level 3	Total
		(In $ million)		
As of December 31, 2011				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**
As of December 31, 2010				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		11		11
Embedded derivatives		87		87
Total		**98**		**98**

There were no transfers between any levels during the periods ended December 31, 2011 and 2010.

30. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is Reynolds Group Holdings Limited, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Transactions with key management personnel

Key management personnel compensation comprised:

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Short-term employee benefits	13	11	8

Management fees		1	3
Total compensation expense to key management personnel	**13**	**12**	**11**

There have been no transactions with key management personnel during the periods ended December 31, 2011, 2010 and 2009.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

30. Related parties (continued)

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the periods are detailed below:

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	**2010**	**2009**	**2011**	**2010**
	(In $ million)				
Transactions with the immediate and ultimate parent companies					
Due to immediate parent(a)				(16)	(16)
Transactions with joint ventures					
Sale of goods and services(b)	131	122	96	25	29
Purchase of goods(b)			(4)		(3)
Sale of non-current assets		7			
Transactions with other related parties					
Trade receivables					
BPC United States Inc.				4	1
Sale of services	3				
Sale of property, plant and equipment(f)		3			
Carter Holt Harvey Limited					1
Sale of goods	3	14			
Carter Holt Harvey Packaging Pty Limited					4
Sale of goods	4	20			
Carter Holt Harvey Pulp & Paper Limited					1
Sale of goods	3	2			
FRAM Group Operations LLC				1	
United Components, Inc				1	
Trade payables					
BPC United States Inc.					
Management fees		(1)	(3)		
Recharges			(3)		
Carter Holt Harvey Limited				(1)	(1)
Purchase of goods	(10)	(1)			
Purchase of Whakatane Mill(e)		(46)			

Carter Holt Harvey Pulp & Paper Limited				(5)	(3)
Purchase of goods	(38)	(25)			
Rank Group Limited(c)				(41)	(6)
Recharges	(121)	(43)	(16)		
Reynolds Packaging (NZ) Limited			(1)		(1)
Dividends paid		(39)			

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

30. Related parties (continued)

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	**2010**	**2009**	**2011**	**2010**
	(In $ million)				
Loans receivable					
BPC United States Inc.					
Repayments		12			
Reynolds Consumer Products (NZ) Limited					
Interest income		2	1		
Novation of loan		1			
Repayment of loan		61			
Reynolds Treasury (NZ) Limited					
Interest income		1			
Repayments		25			
Loans Payable					
Carter Holt Harvey Limited					
Interest expense			(4)		
Evergreen Packaging New Zealand Limited					
Interest expense			(1)		
Reynolds Consumer Products (NZ) Limited					
Interest expense			(6)		
Reynolds Treasury (NZ) Limited(d)				(23)	
Loan advanced	(25)				
Interest expense	(1)		(2)		

(a) The advance due to RGHL accrued interest at a rate based on EURIBOR plus a margin of 2.375%. During the period ended December 31, 2011, interest accrued at rates from 3.38% to 3.93% (2010: 3.01% to 3.32%; 2009: 3.13% to 5.22%). The loan is subordinated to the obligations under the August 2011 Credit Agreement, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 Notes, and is subject to certain other payment restrictions, including in favor of the 2007 Notes under the terms of the inter-creditor arrangements.

(b) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(c)

Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. The loan bears interest at the greater of 2% and the 3 month EURIBOR rate plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties.

(e) On May 4, 2010, the Group acquired the Whakatane Mill for a purchase price of $48 million, being the fair value of the net assets at the date purchased, from Carter Holt Harvey Limited (CHHL). The consideration paid to the seller of the assets was subject to certain post-closing adjustments relating to the closing net working capital, reimbursable wages and other stub period adjustments. The post-closing

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

30. Related parties (continued)

adjustments resulted in CHHL owing the Group an amount of $2 million which was paid during the period ended December 31, 2010.

(f) On April 29, 2010, Blue Ridge Paper Products Inc. sold land and buildings in Richmond to BPC United States Inc. The consideration paid was the net book value of the assets at the date of sale, being $3 million settled at the date of sale.

31. Group entities

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Alusud Argentina S.R.L.	Dec-31	Argentina	100	100	100
Graham Packaging Argentina S.A.(a)	Dec-31	Argentina	100		100
Graham Packaging San Martin S.A.(a)	Dec-31	Argentina	100		100
Lido Plast San Luis S.A.(a)	Dec-31	Argentina	100		100
SIG Combibloc Agrentina S.R.L.	Dec-31	Argentina	100	100	100
Whakatane Mill Australia Pty Limited	Dec-31	Australia	100	100	100
SIG Austria Holding GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH & Co. KG	Dec-31	Austria	100	100	100
Gulf Closures W.L.L.(b)	Dec-31	Bahrain	49	49	49
Graham Packaging Belgium N.V.(a)	Dec-31	Belgium	100		100
Graham Packaging Lummen N.V.(a)	Dec-31	Belgium	100		100
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Dec-31	Brazil	100	100	100
Graham Packaging do Brasil Indústria e Comércio Ltda.(a)	Dec-31	Brazil	100		100
Graham Packaging Paraná Ltda.(a)	Dec-31	Brazil	100		100
Resin Rio Comercio Ltda.(a)	Dec-31	Brazil	100		100
SIG Beverages Brasil Ltda.	Dec-31	Brazil	100	100	100
SIG Combibloc do Brasil Ltda.	Dec-31	Brazil	100	100	100
CSI Latin American Holdings Corporation	Dec-31	British Virgin Islands	100	100	100
Reynolds Consumer Products Bulgaria EOOD	Dec-31	Bulgaria	100	100	100
798795 Ontario Limited(c)	Dec-31	Canada		100	
Closure Systems International (Canada) Limited(c)	Dec-31	Canada		100	
Conference Cup Ltd.(d)	Dec-31	Canada	100		100

Dopaco Canada, Inc.(d)	Dec-31	Canada	100		100
Evergreen Packaging Canada Limited	Dec-31	Canada	100	100	100
Garven Incorporated(d)	Dec-31	Canada	100		100
Graham Packaging Canada Limited(a)	Dec-31	Canada	100		100
Newspring Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(e)	Dec-31	Canada	100		100
Reynolds Food Packaging Canada Inc.(c)	Dec-31	Canada		100	
Crystal Insurance Comp. Ltd.	Dec-31	Channel Islands	100	100	100
SIG Asset Holdings Limited	Dec-31	Channel Islands	100	100	100
Alusud Embalajes Chile Ltda.	Dec-31	Chile	100	100	100
SIG Combibloc Chile Limitada	Dec-31	Chile	100	100	100
Closure Systems International (Guangzhou) Limited	Dec-31	China	100	100	100
Closure Systems International (Wuhan) Limited	Dec-31	China	100	100	100

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
CSI Closures Systems (Hangzhou) Co., Ltd.	Dec-31	China	100	100	100
CSI Closures Systems (Tianjin) Co., Ltd.	Dec-31	China	100	100	100
Dongguan Pactiv Packaging Co., Ltd	Dec-31	China	51	51	51
Evergreen Packaging (Shanghai) Co., Limited	Dec-31	China	100	100	100
Graham Packaging (Guangzhou) Co. Ltd.(a)	Dec-31	China	100		100
Graham Packaging Trading (Shanghai) Co. Ltd.(a)	Dec-31	China	100		100
Reynolds Metals (Shanghai) Ltd.	Dec-31	China	100	100	100
SIG Combibloc (Suzhou) Co. Ltd.	Dec-31	China	100	100	100
SIG Combibloc Packaging Technology Services (Shanghai) Co. Ltd. (In liquidation)	Dec-31	China	100	100	100
Zhejing Zhongbao Packaging Co., Ltd	Dec-31	China	62.5	62.5	62.5
Alusud Embalajes Colombia Ltda.	Dec-31	Colombia	100	100	100
CSI Closure Systems Manufacturing do Centro America, Sociedad de Responsabilidad Limitada	Dec-31	Costa Rica	100	100	100
SIG Combibloc s.r.o	Dec-31	Czech Republic	100	100	100
Closure Systems International (Egypt) LLC	Dec-31	Egypt	100	100	100
Evergreen Packaging de El Salvador S.A. de C.V.	Dec-31	El Salvador	100	100	100
Graham Packaging Company OY(a)	Dec-31	Finland	100		100
Graham Packaging Europe SNC(a)	Dec-31	France	100		100
Graham Packaging France S.A.S.(a)	Dec-31	France	100		100
Graham Packaging Normandy S.a.r.l.(a)	Dec-31	France	100		100
Graham Packaging Villecomtal S.a.r.l.(a)	Dec-31	France	100		100
SIG Combibloc S.a.r.l	Dec-31	France	100	100	100
Closure Systems International Deutschland GmbH	Dec-31	Germany	100	100	100
Closure Systems International Holdings (Germany) GmbH	Dec-31	Germany	100	100	100
Omni-Pac Ekco Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Omni-Pac Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Pactiv Deutschland Holdinggesellschaft mbH	Dec-31	Germany	100	100	100
Pactiv Forest Products GmbH	Dec-31	Germany	100	100	100
Pactiv Hamburg Holdings GmbH(f)	Dec-31	Germany		100	
SIG Beverages Germany GmbH	Dec-31	Germany	100	100	100
SIG Combibloc GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Holding GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Systems GmbH	Dec-31	Germany	100	100	100

SIG Combibloc Zerspanungstechnik GmbH	Dec-31	Germany	100	100	100
SIG Euro Holding AG & Co. KGaA	Dec-31	Germany	100	100	100
SIG Information Technology GmbH	Dec-31	Germany	100	100	100
SIG International Services GmbH	Dec-31	Germany	100	100	100
SIG Beteiligungs GmbH (formerly SIG Vietnam Beteiligungs GmbH)(g)	Dec-31	Germany	100	100	100
Closure Systems International (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Evergreen Packaging (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Graham Packaging Asia Limited(a)	Dec-31	Hong Kong	100		100
Roots Investment Holding Private Limited(a)	Dec-31	Hong Kong	100		100
SIG Combibloc Limited	Dec-31	Hong Kong	100	100	100
Closure Systems International Holdings (Hungary) Kft.(h)	Dec-31	Hungary		100	

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
CSI Hungary Manufacturing and Trading Limited Liability Company	Dec-31	Hungary	100	100	100
SIG Combibloc Kft.	Dec-31	Hungary	100	100	100
Closure Systems International(I) Private Limited	Mar-31	India	100	100	100
SIG Beverage Machinery and Systems (India) Pvt. Ltd. (in liquidation)	Dec-31	India	100	100	100
PT. Graham Packaging Indonesia(a)	Dec-31	Indonesia	100		100
Ha Lakoach He Neeman H Sheeshim Ou Shenayim Ltd.	Dec-31	Israel	100	100	100
Graham Packaging Company Italia S.r.l.(a)	Dec-31	Italy	100		100
SIG Combibloc S.r.l	Dec-31	Italy	100	100	100
S.I.P. S.r.l. Societa Imballaggi Plastici S.r.l. (in liquidation)(a)	Dec-31	Italy	100		100
Closure Systems International Holdings (Japan) KK	Dec-31	Japan	100	100	100
Closure Systems International Japan, Limited	Dec-31	Japan	100	100	100
Graham Packaging Japan Godo Kaisha(a)	Dec-31	Japan	100		100
Closure Systems International Holdings (Korea), Ltd.	Dec-31	Korea	100	100	100
Evergreen Packaging Korea Limited	Dec-31	Korea	100	100	100
SIG Combibloc Korea Ltd.	Dec-31	Korea	100	100	100
Beverage Packaging Factoring (Luxembourg) S.à r.l.(i)	Dec-31	Luxembourg	100		100
Beverage Packaging Holdings (Luxembourg) III S.à r.l	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) IV S.à r.l.(i)	Dec-31	Luxembourg	100		100
Evergreen Packaging (Luxembourg) S.à r.l	Dec-31	Luxembourg	100	100	100
Graham Packaging European Holdings (Luxembourg) S.à r.l.(j)	Dec-31	Luxembourg	100		100
Graham Packaging European Holdings (Luxembourg) I S.à r.l.(j)	Dec-31	Luxembourg	100		100
Reynolds Group Issuer (Luxembourg) S.A.	Dec-31	Luxembourg	100	100	100
SIG Finance (Luxembourg) S.à r.l. (in liquidation)(k)	Dec-31	Luxembourg		100	
	Dec-31	Mexico	100		100

Asesores y Consultores Graham, S. de R.L. de C.V.(a)					
Bienes Industriales del Norte, S.A. de C.V.	Dec-31	Mexico	100	100	100
CSI En Ensenada, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI En Saltillo, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI Tecniservicio, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Evergreen Packaging Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Graham Packaging Plastic Products de Mexico S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Grupo Corporativo Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Grupo CSI de México, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Maxpack, S. de R.L. de C.V.(m)	Dec-31	Mexico		100	
Middle America M.A., S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Pactiv Foodservice Mexico S. de R.L. de C.V. (formerly Central de Bolsas S. de R.L. de C.V.)(l)	Dec-31	Mexico	100	100	100
Pactiv Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Pactiv North American Holdings, S. de R.L. de C.V. (formerly Pactiv North American Holdings LLC)(u)	Dec-31	Mexico		100	
Reynolds Metals Company de Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Servicio Terrestre Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Servicios Graham Packaging, S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Servicios Industriales Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Integrales de Operacion, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Combibloc México, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Simonazzi México, S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Tecnicos de Tapas Innovativas, S.A. de C.V.	Dec-31	Mexico	100	100	100
Closures Systems International Nepal Private Limited	Jul-31	Nepal	76	76	76
Beverage Packaging Holdings (Netherlands) B.V	Dec-31	Netherlands	100	100	100
Closure Systems International B.V	Dec-31	Netherlands	100	100	100
Evergreen Packaging International B.V	Dec-31	Netherlands	100	100	100
Graham Packaging Company B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Holdings B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Zoetermeer B.V.(a)	Dec-31	Netherlands	100		100
Pactiv Europe B.V	Dec-31	Netherlands	100	100	100
Reynolds Consumer Products International B.V	Dec-31	Netherlands	100	100	100
Reynolds Packaging International B.V	Dec-31	Netherlands	100	100	100
SIG Combibloc B.V	Dec-31	Netherlands	100	100	100
Whakatane Mill Limited	Dec-31	New Zealand	100	100	100
Envases Panama, S.A.(n)	Dec-31	Panama		100	
Alusud Peru S.A.	Dec-31	Peru	100	100	100
Closure Systems International (Philippines), Inc.	Dec-31	Philippines	100	100	100
Graham Packaging Poland SP. Z.O.O.(a)	Dec-31	Poland	100		100
Omni Pac Poland SP. Z.O.O	Dec-31	Poland	100	100	100
SIG Combibloc SP. Z.O.O	Dec-31	Poland	100	100	100
CSI Vostok Limited Liability Company	Dec-31	Russia	100	100	100
OOO SIG Combibloc	Dec-31	Russia	100	100	100
Pactiv Asia Pte Ltd	Dec-31	Singapore	100	100	100
Closure Systems International España, S.L.U	Dec-31	Spain	100	100	100
Closure Systems International Holdings (Spain), S.A.	Dec-31	Spain	100	100	100
Graham Packaging Iberica S.L.(a)	Dec-31	Spain	100		100
Reynolds Food Packaging Spain, S.L.U	Dec-31	Spain	100	100	100
SIG Combibloc S.A.	Dec-31	Spain	100	100	100

SIG Combibloc AB	Dec-31	Sweden	100	100	100
SIG allCap AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Procurement AG	Dec-31	Switzerland	100	100	100
SIG Combibloc (Schweiz) AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Group AG	Dec-31	Switzerland	100	100	100
SIG Reinag AG	Dec-31	Switzerland	100	100	100
SIG Schweizerische Industrie-Gesellschaft AG	Dec-31	Switzerland	100	100	100
SIG Technology AG	Dec-31	Switzerland	100	100	100
Evergreen Packaging (Taiwan) Co. Limited	Dec-31	Taiwan	100	100	100
SIG Combibloc Taiwan Ltd.	Dec-31	Taiwan	100	100	100
SIG Combibloc Ltd.	Dec-31	Thailand	100	100	100
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Graham Plastpak Plastik Ambalaj Sanayi A.S.(a)	Dec-31	Turkey	100		100
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Alpha Products (Bristol) Limited	Dec-31	United Kingdom	100	100	100
Closure Systems International (UK) Limited	Dec-31	United Kingdom	100	100	100
Graham Packaging European Services Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging Plastics Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging U.K. Limited(a)	Dec-31	United Kingdom	100		100
IVEX Holdings, Ltd.	Dec-31	United Kingdom	100	100	100
J. & W. Baldwin (Holdings) Limited	Dec-31	United Kingdom	100	100	100
Kama Europe Limited	Dec-31	United Kingdom	100	100	100
Omni-Pac U.K. Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Caerphilly) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Films) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Stanley) Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Pactiv Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Reynolds Consumer Products (UK) Limited	Dec-31	United Kingdom	100	100	100
Reynolds Subco (UK) Limited	Dec-31	United Kingdom	100	100	100
SIG Combibloc Limited	Dec-31	United Kingdom	100	100	100
SIG Holdings (UK) Ltd.	Dec-31	United Kingdom	100	100	100
The Baldwin Group Ltd.	Dec-31	United Kingdom	100	100	100
Baker s Choice Products, Inc.	Dec-31	U.S.A.	100	100	100
BCP/Graham Holdings L.L.C.(a)	Dec-31	U.S.A.	100		100
Blue Ridge Holding Corp.	Dec-31	U.S.A.	100	100	100
Blue Ridge Paper Products Inc.	Dec-31	U.S.A.	100	100	100
BRPP, LLC	Dec-31	U.S.A.	100	100	100
Bucephalas Acquisition Corp.(o)	Dec-31	U.S.A.			
Closure Systems International Americas, Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Packaging Machinery Inc. (formerly Reynolds Packaging Machinery Inc.)(z)	Dec-31	U.S.A.	100	100	100
Closure Systems Mexico Holdings LLC	Dec-31	U.S.A.	100	100	100
	Dec-31	U.S.A.	50	50	50

Coast-Packaging Company (California General Partnership)(b)					
CSI Mexico LLC	Dec-31	U.S.A.	100	100	100
CSI Sales & Technical Services Inc.	Dec-31	U.S.A.	100	100	100
Dopaco, Inc.(p)	Dec-31	U.S.A.	100		100
Evergreen Packaging Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging International (US) Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging USA Inc.	Dec-31	U.S.A.	100	100	100
GPACSUB LLC(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. I(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. II(a)	Dec-31	U.S.A.	100		100
GPC Holdings LLC(a)	Dec-31	U.S.A.	100		100
GPC Merger LLC(a)(q)	Dec-31	U.S.A.			
GPC Opco GP LLC(a)	Dec-31	U.S.A.	100		100

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
GPC Sub GP LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Acquisition Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging Comerc USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company Europe LLC(r)	Dec-31	U.S.A.	100		100
Graham Packaging Company Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Controllers USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging France Partners(a)	Dec-31	U.S.A.	100		100
Graham Packaging GP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Holdings Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging International Plastics Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Latin America LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LC, L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Leasing USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Minster LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging PET Technologies Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Plastic Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Poland L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Holding Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX, LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Regioplast STS Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Technological Specialties LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging West Jordan, LLC(a)	Dec-31	U.S.A.	100		100
Graham Recycling Company L.P.(a)	Dec-31	U.S.A.	100		100
Newspring Industrial Corp.	Dec-31	U.S.A.	100	100	100
Pactiv Germany Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv LLC (formerly Pactiv Corporation)(s)	Dec-31	U.S.A.	100	100	100
Pactiv Factoring LLC	Dec-31	U.S.A.	100	100	100
Pactiv Management Company LLC	Dec-31	U.S.A.	100	100	100
Pactiv NA II LLC(t)	Dec-31	U.S.A.	100	100	100

Pactiv Retirement Administration LLC	Dec-31	U.S.A.	100	100	100
Pactiv RSA LLC	Dec-31	U.S.A.	100	100	100
PCA West Inc.	Dec-31	U.S.A.	100	100	100
Prairie Packaging, Inc.	Dec-31	U.S.A.	100	100	100
PWP Holdings, Inc.	Dec-31	U.S.A.	100	100	100
PWP Industries, Inc.	Dec-31	U.S.A.	100	100	100
RenPac Holdings Inc.(v)	Dec-31	U.S.A.	100		100
Reynolds Consumer Products Holdings LLC (formerly Reynolds Consumer Products Holdings Inc.)(w)	Dec-31	U.S.A.	100	100	100
Reynolds Consumer Products, Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Flexible Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Foil Inc.	Dec-31	U.S.A.	100	100	100

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Reynolds Food Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Group Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer LLC	Dec-31	U.S.A.	100	100	100
Reynolds Manufacturing, Inc.(x)	Dec-31	U.S.A.	100		100
Reynolds Packaging Holdings LLC (formerly Reynolds Packaging Inc.)(y)	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Kama Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Services Inc.	Dec-31	U.S.A.	100	100	100
RGHL US Escrow II Inc.(aa)	Dec-31	U.S.A.			
RGHL US Escrow II LLC(cc)	Dec-31	U.S.A.			
RGHL US Escrow Holdings II Inc.(bb)	Dec-31	U.S.A.			
SIG Combibloc Inc.	Dec-31	U.S.A.	100	100	100
SIG Holding USA LLC (formerly SIG Holding USA, Inc.)(dd)	Dec-31	U.S.A.	100	100	100
Southern Plastics, Inc.	Dec-31	U.S.A.	100	100	100
The Corinth and Counce Railroad Company(ee)	Dec-31	U.S.A.		100	
Ultra Pac, Inc.	Dec-31	U.S.A.	100	100	100
Union Packaging LLC(p)(ff)	Dec-31	U.S.A.			
Alusud Venezuela S.A.	Dec-31	Venezuela	100	100	100
Graham Packaging Plasticos de Venezuela C.A.(a)	Dec-31	Venezuela	100		100
SIG Vietnam Ltd.	Dec-31	Vietnam	100	100	100

(a) Acquired as part of the Graham Packaging Acquisition on September 8, 2011.

(b) The Group has control as it has the power to govern the financial and operating policies of the entity.

(c) Amalgamated into a new Pactiv Canada Inc. on July 1, 2011.

(d) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Reynolds Food Packaging Canada Inc.

(e) Incorporated on July 1, 2011.

(f) Merged with SIG Beteiligungs GmbH on September 15, 2011.

(g) Changed name to SIG Beteiligungs GmbH on September 15, 2011.

(h) Merged into CSI Hungary Manufacturing and Trading Limited Liability Company on December 31, 2011.

(i) Incorporated on December 21, 2011.

(j) Incorporated on December 20, 2011.

(k) Liquidation was concluded on January 18, 2011 and the company subsequently deregistered.

(l) Changed name to Pactiv Foodservice Mexico, S. de R.L. de C.V. on September 27, 2011.

(m) Merged into Pactiv Foodservice Mexico, S. de R.L. de C.V. on December 31, 2011.

(n) Dissolved on February 11, 2011.

(o) Incorporated on June 13, 2011, and subsequently merged into Graham Packaging Company Inc. on September 8, 2011.

(p) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Pactiv Corporation, now Pactiv LLC.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

31. Group entities (continued)

(q) Merged into Graham Packaging Holdings Company on September 12, 2011.

(r) Incorporated on December 13, 2011.

(s) Converted to a Delaware limited liability company on December 31, 2011 becoming Pactiv LLC.

(t) Incorporated on February 8, 2011.

(u) Redomiciled from U.S.A. to Mexico and transformed to a Mexican company as a S. de R.L. de C.V. , following which Pactiv North American Holdings, S. de R.L. de C.V. and Central de Bolsas, S. de R.L. de C.V. merged, with the latter being the surviving entity. The merger was effective March 29, 2011.

(v) Incorporated on September 29, 2011.

(w) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Consumer Products Holdings LLC.

(x) Incorporated on September 14, 2011.

(y) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Packaging Holdings LLC.

(z) Changed name to Closure Systems International Packaging Machinery Inc. on March 2, 2011.

(aa) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer Inc. on September 8, 2011.

(bb) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Holdings Inc. on September 8, 2011.

(cc) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer LLC on September 8, 2011.

(dd) Converted to a Delaware limited liability company on December 31, 2011 becoming SIG Holding USA, LLC.

(ee) Dissolved on December 6, 2011.

(ff) Sold on May 18, 2011.

32. Business combinations under common control

On May 4, 2010, the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited. At the time of this transaction, both the Group and Evergreen were ultimately 100% owned by Mr. Graeme Hart. The original acquisitions of the Evergreen businesses were completed between January 31, 2007 and August 1, 2007.

On September 1, 2010, the Group acquired the operations of the Reynolds foodservice packaging businesses from subsidiaries of Reynolds (NZ) Limited (Reynolds (NZ)). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Reynolds foodservice packaging businesses was completed on February 29, 2008.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

32. Business combinations under common control (continued)

The following table shows the effect of the legal consummation of the acquisitions of Evergreen and the Reynolds foodservice packaging business as of their respective dates of acquisition by the Group:

	Evergreen	Reynolds food service packaging (In $ million)	Total
Total consideration*	1,612	342	1,954
Net book value of share capital of the acquired businesses	(713)	(193)	(906)
Difference between total consideration and net book value of share capital of acquired businesses**	**899**	**149**	**1,048**

On November 5, 2009, the Group acquired the business operations of the Closures segment and the Reynolds consumer products business from subsidiaries of Reynolds (NZ). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Closures segment and the Reynolds consumer products business by subsidiaries of Reynolds (NZ) was substantially completed on February 29, 2008. As of November 5, 2009, the effect of the legal consummation of the acquisition was as follows:

	Closures	Reynolds consumer products (In $ million)	Total
Total consideration*	708	984	1,692
Net book value of share capital of the acquired businesses	(467)	(641)	(1,108)
Difference between total consideration and net book value of share capital of the acquired businesses**	**241**	**343**	**584**

* The Group has accounted for the acquisitions under the principles of common control. As a result, the cash acquired as part of the acquisitions is already included in the Group s cash balance and does not form part of the net cash outflow. Further, the results of operations of the businesses acquired are included in the statements of comprehensive income from January 31, 2007 for Evergreen, and from February 29, 2008 for the Closures, Reynolds consumer products, and Reynolds foodservice packaging businesses.

** In accordance with the Group s accounting policy for acquisitions under common control, the difference between the share capital of the acquired businesses and the consideration paid (which represented the fair value) has been recognized directly in equity as part of other reserves. Differences in the consideration paid at the date of the legal acquisition by the Group of these businesses and those amounts paid when originally acquired by entities under the common control of the ultimate shareholder reflect changes in the relative fair value. The changes in fair value of the net assets acquired plus debt issued from the original purchase price relate to indebtedness assumed as well as changes in the underlying value of the equity of the business. The change in the underlying value of the business relates to the realization of the cost savings initiatives and operational synergies combined with improvements in industry and general market conditions.

33. Business combinations

Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the provisional values allocated to assets, liabilities and contingent liabilities as of the date of acquisition:

	Provisional values recognized on September 8, 2011(a)	**Measurement period adjustments(b)**	**Provisional values as of December 31, 2011[c]**
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates and joint ventures	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net liabilities acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**

Consideration paid in cash	1,797	1,797
Net cash acquired	(146)	(146)
Net cash outflow	**1,651**	**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

The depreciation and amortization impact of these provisional changes to fair values was recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as December 31, 2011. Management is in the process of reviewing and finalizing balances. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuation firms, is in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management continues to review underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these provisional purchase accounting allocations will have implications on the measurement of deferred tax assets and liabilities. Management expects to finalize the purchase price allocations by September 8, 2012.

(d) In connection with the acquisition of the Graham Packaging Group, amounts under an existing income tax receivable agreement with certain pre-IPO shareholders became due and payable. Such amounts which were settled after the date of acquisition are reflected in the statement of cash flows as a financing activity.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary fair value assessment.

Acquisition costs of $24 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

	Estimated

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Useful Life
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful lives are between 10 and 15 years.

Prior to the acquisition, Graham Packaging reported its results under US GAAP. Accordingly, it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Graham Packaging contributed revenues of $967 million, a loss after income tax of $64 million, EBITDA of $105 million and Adjusted EBITDA of $156 million to the Group for the period from September 8, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed on a pro forma basis additional revenue of $2,130 million, a loss after income tax of $277 million, EBITDA of $43 million and Adjusted EBITDA of $388 million. These amounts are immaterial.

Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million, including a $3 million working capital adjustment which was settled in October 2011 (the Dopaco Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration was provided through existing cash.

Dopaco is a manufacturer of paper cups and folding cartons for the quick-service restaurant and foodservice industries in the United States and Canada. The new product lines complement and enhance the Group s existing product lines, allowing it to offer a broader product range and additional customer relationships. Dopaco is included in the Group s Pactiv Foodservice segment.

The Group finalized the allocation of the purchase price and has reflected this as of the date of acquisition. In undertaking the Group s evaluation of the purchase price as of date of acquisition, management has taken into consideration a number of market participant factors such as historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

valuation technique. The following table presents the preliminary values previously reported as of May 2, 2011, and any adjustments made to those values:

	Provisional values recognized on May 2, 2011[(a)]	Measurement period adjustments[(b)] (In $ million)	Final purchase price allocation
Cash and cash equivalents	3		3
Trade and other receivables	33		33
Assets held for sale	3		3
Deferred tax assets	4		4
Inventories	58	1	59
Property, plant and equipment	152	(28)	124
Intangible assets (excluding goodwill)	16	72	88
Other current and non-current assets	5	1	6
Bank overdrafts	(5)		(5)
Trade and other payables	(20)	(4)	(24)
Deferred tax liabilities	(32)	(8)	(40)
Provisions and employee benefits	(24)	(2)	(26)
Net assets acquired	**193**	**32**	**225**
Goodwill on acquisition	205	(35)	170
Net assets acquired	**398**	**(3)**	**395**
Consideration paid in cash	398	(3)	395
Bank overdraft acquired	2		2
Net cash outflow	**400**	**(3)**	**397**

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to finalizing the values of property, plant and equipment and identifiable intangible assets and the associated deferred taxes thereon. Other measurement period adjustments have arisen from the finalization of reviews of the balance sheet reconciliations as of the date of acquisition. The depreciation and amortization impact from these provisional changes to fair values had been recognized during the period ended December 31, 2011.

Acquisition-related costs of $6 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

The preliminary values attributed to the separately identifiable intangible assets were established shortly after the date of acquisition in May 2011 through the assistance of an external third party valuer. Subsequent to this assessment the Group has verified the reasonableness of all key assumptions including royalty rate, growth rates, business mix and discount rate. This review process involved feedback and further input from a wide range of senior executives which has enabled the Group to further refine the initial assumptions as of the date of acquisition. As a result management has revised and finalized the values initially established for the

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

separately identifiable intangible assets as of the date of acquisition. The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated useful life
Customer relationships	77	9 to 14 years
Trade names	6	5 years
Patents	4	10 years
Emission reduction credit	1	Indefinite
	88	

Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers.

Trade name

The Dopaco trade name is a business to business trade name under which the products are sold. The preliminary value of the trade name is being amortized over 5 years as it is a defensible intangible asset.

The goodwill recognized on the acquisition is attributable mainly to the skill of the acquired business work force and the synergies expected to be achieved from integrating Dopaco into the Group. None of the goodwill recognized is expected to be deductible for income tax purposes.

Dopaco contributed revenues of $331 million, profit after income tax of $7 million, EBITDA of $28 million and Adjusted EBITDA of $45 million to the Group for the period from May 2, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed on a pro forma basis additional revenue of $153 million, profit after tax of $5 million, EBITDA of $14 million and Adjusted EBITDA of $17 million. These amounts are unaudited.

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv Corporation (Pactiv) for a purchase price of $4,452 million (the Pactiv Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration and the refinancing of certain borrowings that were acquired was provided through a combination of additional borrowings, additional equity and existing cash.

Pactiv is a leading manufacturer of consumer and foodservice packaging products in the United States. The acquisition of Pactiv brought together two consumer and foodservice packaging platforms. The combination increased the Group s product, geographic and customer diversification and created an extensive and diverse distribution network. The products of the Group and Pactiv are complementary, providing the combined Group with opportunities to generate incremental revenue through cross-selling and category expansion. The Group expects to realize cost savings and operational synergies by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies.

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents, net of bank overdrafts	91
Trade and other receivables	472
Current tax assets	49
Deferred tax assets	27
Inventories	547
Property, plant and equipment	1,429
Intangible assets (excluding goodwill)	2,715
Other current and non-current assets	60
Trade and other payables	(418)
Borrowings	(1,485)
Deferred tax liabilities	(877)
Provisions and employee benefits	(1,071)
Net assets acquired	**1,539**
Non-controlling interests	(18)
Goodwill on acquisition	2,931
Net assets acquired	**4,452**
Consideration paid in cash	4,452
Net cash acquired	(91)
Net cash flow	**4,361**

Acquisition-related costs of $10 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2010.

The Group identified and measured the property, plant and equipment and separately identifiable intangible assets (excluding goodwill) of $1,429 million and $2,715 million, respectively, with the assistance of a third party valuer.

The fair value of trade receivables is $472 million. The gross contractual amount of trade receivables due at acquisition was $517 million, of which $45 million was expected to be uncollectible.

The goodwill of $2,931 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Pactiv into the Group. The synergies largely relate to benefits from (a) large scale efficiencies in integration of sales, marketing and administration functions, information technology resources, and leveraging lean production capabilities across facilities, (b) eight to nine plant closures, (c) one face customer servicing organization, (d) streamlining warehouse and logistics, and (e) centralizing procurement. Except for $514 million, the goodwill recognized is not deductible for income tax purposes.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated useful life
Trade names - indefinite life	1,075	Indefinite
Trade names - definite life	39	5 years
Customer relationships	1,321	20 years
Technology	188	7.5 years
Permits	88	Indefinite
Favorable leasehold	4	3 to 8 years
	2,715	

Trade names

The Pactiv Foodservice trade name has been valued as a business to business trade name with an indefinite life. The Hefty trade name has been valued as a consumer trade name with an indefinite life. The Pactiv trade name used in the consumer products business has been valued as a business to business trade name with a five year useful life.

Customer and distributor relationships

Pactiv s operations are characterized by arrangements with customers and distributors for the supply of finished packaging products. The separately identifiable intangible assets reflect the estimated value that is attributable to the existing arrangements and the value that is expected from the on-going relationship.

Technology

Pactiv s operations include certain proprietary knowledge and processes that have been developed internally. The business operates in product categories where customers and end-users value the technology and innovation that Pactiv s custom packaging products offer as an alternative to traditional packaging materials.

Permits

Manufacturers that emit pollutants or use hazardous materials are required to meet various federal and state regulatory requirements and obtain the necessary operating permits. Pactiv has obtained numerous operating permits for its plants over the years. As regulatory requirements have evolved, several of its existing permits have been grandfathered and would be very costly, or even impossible, to obtain today.

The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of the Group s Reynolds Consumer Products and Pactiv Foodservice segments, respectively, since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within each related segment, other than revenue, we are unable to quantify the results of the acquired businesses on a stand-alone basis for the year ended December 31, 2011. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. For the period ended December 31, 2010, Pactiv s revenue, profit from operating activities, EBITDA and Adjusted EBITDA were $3,679 million, $254 million, $465 million and $656 million, respectively. These amounts provided on a Pro forma basis are unaudited and include IFRS adjustments and therefore will not agree to historically reported Pactiv results as Pactiv reported its results under U.S. GAAP.

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

33. Business combinations (continued)

Closure Systems International Americas, Inc.

On February 1, 2010, the Group purchased 100% of the issued capital of Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. Total consideration for the acquisition was $36 million and was paid in cash. The acquired company was subsequently renamed Closure Systems International Americas, Inc. (CSI Americas).

This acquisition had the following effect on the Group s assets and liabilities at the acquisition date:

	Recognized values on acquisition (In $ million)
Cash and cash equivalents	11
Trade and other receivables	3
Inventories	10
Deferred tax assets	11
Property, plant and equipment	14
Intangible assets (excluding goodwill)	4
Trade and other payables	(7)
Net assets acquired	**46**
Difference between net assets acquired and consideration paid	(10)
Consideration paid, settled in cash	36
Cash acquired	(11)
Net cash outflow	**25**

The acquisition of CSI Americas contributed revenue of $52 million and a net profit of $3 million to the Group for the period ended December 31, 2010. If the purchase had occurred on January 1, 2010, management estimates that CSI Americas would have contributed additional revenue of $4 million, additional EBITDA of $3 million and additional profit after tax of $1 million.

34. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	As of December 31,	
	2011	**2010**
	(In $ million)	
Less than one year	111	69
Between 1 and 5 years	247	146
More than 5 years	83	79
Total	**441**	**294**

During the period ended December 31, 2011, $107 million was recognized as an expense in the statement of comprehensive income as a component of the profit or loss in respect of operating leases (2010: $51 million; 2009: $50 million).

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

34. Operating leases (continued)

Leases as lessor

The SIG Combibloc segment leases to customers filling machines under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	As of December 31,	
	2011	2010
	(In $ million)	
Less than one year	12	13
Between 1 and 5 years	27	31
More than 5 years	2	3
Total	**41**	**47**

During the period ended December 31, 2011 $15 million was recognized as revenue in the statement of comprehensive income (2010: $21 million; 2009: $17 million).

35. Capital commitments

As of December 31, 2011, the Group had entered into contracts to incur capital expenditure of $106 million (2010: $95 million) for the acquisition of property, plant and equipment. These commitments are expected to be settled in the following financial year.

36. Contingencies

	As of December 31,	
	2011	2010
	(In $ million)	
Contingent liabilities	19	31

The contingent liabilities primarily arise from the guarantees given to banks granting credit facilities to the Group s joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 27, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness as described in note 25.

37. Subsequent events

Financing Transactions

On February 15, 2012, the Group issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Notes). Interest on the February 2012 Notes is paid semi-annually on February 15

Table of Contents

Beverage Packaging Holdings Group

Notes to the financial statements (Continued)

37. Subsequent events (continued)

and August 15 of each year, commencing August 15, 2012. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the February 2012 Notes to the extent permitted by law.

The net proceeds from the February 2012 Notes were used to redeem and discharge the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging 2014 Notes and the $249 million outstanding aggregate principal amount of the Pactiv 2012 Notes. The remaining net proceeds from the February 2012 Notes will be used for general corporate purposes.

On March 20, 2012, Graham Packaging Holdings Company and certain of its subsidiaries organized in the United States guaranteed the February 2012 Notes, the Notes, the 2007 Notes and the August 2011 Credit Agreement and provided collateral security for the Secured Notes and the August 2011 Credit Agreement.

Following the guarantee of the August 2011 Credit Agreement by Graham Packaging Holdings Company and certain of its subsidiaries as described above, the requirement to make additional principal amortization payments of $50 million per quarter under the August 2011 Credit Agreement terminated.

Other

In January 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in an estimated gain on sale of $66 million.

Other than the items disclosed above, there have been no events subsequent to December 31, 2011, which would require accrual or disclosure in these financial statements.

Pactiv Corporation
Interim unaudited condensed consolidated financial statements
For the three and nine month periods ended September 30, 2010

Table of Contents

Consolidated Statement of Income

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
	(In millions, except share and per share data)			
Sales	$ 944	$ 839	$ 2,694	$ 2,506
Costs and expenses				
Cost of sales, excluding depreciation and amortization	696	562	1,955	1,658
Selling, general, and administrative	84	83	236	263
Depreciation and amortization	49	46	145	138
Other	(2)		(2)	1
	827	691	2,334	2,060
Operating income	117	148	360	446
Other income (expense)				
Interest income				1
Interest expense, net of interest capitalized	(25)	(23)	(74)	(70)
Share of income of joint ventures	1		1	
Income before income taxes	93	125	287	377
Income tax expense	13	45	84	139
Income from continuing operations	80	80	203	238
Discontinued operations, net of tax	2	15	2	14
Net income	82	95	205	252
Less: Net income attributable to the noncontrolling interest	1	1	1	1
Net income attributable to Pactiv	$ 81	$ 94	$ 204	$ 251
Amounts attributable to Pactiv common shareholders				
Income from continuing operations, net of tax	$ 79	$ 79	$ 202	$ 237
Discontinued operations, net of tax	2	15	2	14
Net income	$ 81	$ 94	$ 204	$ 251
Earnings per share				
Weighted-average number of shares of common stock outstanding				

Basic		132,998,767		131,972,681		132,810,707		131,860,351
Diluted		134,366,631		133,193,283		134,052,934		132,819,294
Basic earnings per share of common stock attributable to Pactiv common shareholders								
Continuing operations	$	0.59	$	0.60	$	1.52	$	1.79
Discontinued operations		0.01		0.12		0.01		0.11
Total	$	0.60	$	0.72	$	1.53	$	1.90
Diluted earnings per share of common stock attributable to Pactiv common shareholders								
Continuing operations	$	0.59	$	0.59	$	1.51	$	1.78
Discontinued operations		0.01		0.11		0.01		0.10
Total	$	0.60	$	0.70	$	1.52	$	1.88

The accompanying notes to the financial statements are an integral part of this statement.

Condensed Consolidated Statement of Financial Position

	September 30, 2010	December 31, 2009
	(In millions, except share data)	
Assets		
Current assets		
Cash and temporary cash investments	$ 52	$ 46
Accounts and notes receivable		
Trade, less allowances of $4 and $6 at the respective dates, including $397 of trade held by variable interest entity (Pactiv RSA) at September 30, 2010, and $228 of retained interest in trade receivable securitization (Pactiv RSA) at December 31, 2009	444	277
Other	33	51
Total accounts and notes receivable	477	328
Inventories		
Finished goods	291	240
Work in process	47	39
Raw materials	81	63
Other materials and supplies	63	48
Total inventories	482	390
Deferred income tax assets	34	53
Other	14	15
Total current assets	1,059	832
Property, plant, and equipment, net	1,234	1,172
Other assets		
Goodwill	1,236	1,135
Intangible assets, net	368	372
Other	62	63
Total other assets	1,666	1,570
Total assets	$ 3,959	$ 3,574
Liabilities and equity		
Current liabilities		

Short-term debt of variable interest entity (Pactiv RSA) and current maturities of long-term debt	$ 165	$ 5
Accounts payable	190	144
Taxes accrued	32	24
Interest accrued	29	20
Accrued promotions, rebates, and discounts	67	73
Accrued payroll and benefits	60	97
Other	51	54
Total current liabilities	594	417
Long-term debt	1,270	1,270
Deferred income taxes	111	61
Pension and postretirement benefits	598	694
Other	135	131
Pactiv shareholders equity		
Common stock $0.01 par value, 350,000,000 shares authorized, 133,034,546 and 132,334,417 shares issued and outstanding, after deducting 38,748,631 and 39,448,760 shares held in treasury, at the respective dates	1	1
Premium on common stock and other capital surplus	738	729
Accumulated other comprehensive income (loss)		
Currency translation adjustment	1	(3)
Pension and postretirement plans	(1,695)	(1,729)
Gain (loss) on derivatives	6	6
Retained earnings	2,185	1,981
Total Pactiv shareholders equity	1,236	985
Noncontrolling interest	15	16
Total equity	1,251	1,001
Total liabilities and equity	$ 3,959	$ 3,574

The accompanying notes to the financial statements are an integral part of this statement.

F-455

Condensed Consolidated Statement of Cash Flows

	For the Nine Months Ended September 30 2010	2009
	(In millions)	
Operating activities		
Net income	$ 205	$ 252
Discontinued operations	(2)	(14)
Income from continuing operations	203	238
Adjustments to reconcile income from continuing operations to cash provided (used) by operating activities:		
Depreciation and amortization	145	138
Deferred income taxes	6	100
Restructuring and other		(1)
Pension income	(36)	(27)
Noncash compensation expense	11	13
Net working capital	(79)	129
Pension contributions		(400)
Other	4	4
Cash provided (used) by operating activities continuing operations	254	194
Cash provided (used) by operating activities discontinued operations		(3)
Cash provided (used) by operating activities	$ 254	$ 191
Investing activities		
Expenditures for property, plant, and equipment	$ (100)	$ (78)
Acquisitions of businesses and assets	(203)	(20)
Other investing activities	1	2
Cash provided (used) by investing activities	$ (302)	$ (96)
Financing activities		
Issuance of common stock	$ 3	$ 2
Revolving credit facility borrowings	160	
Revolving credit facility payment	(130)	(70)
Asset securitization borrowings	20	
Dividends paid to noncontrolling interest	(2)	(1)
Other	2	(2)
Cash provided (used) by financing activities	$ 53	$ (71)
Effect of foreign exchange rate changes on cash and temporary cash investments	1	

Increase (decrease) in cash and temporary cash investments	6	24
Cash and temporary cash investments, January 1	46	80
Cash and temporary cash investments, September 30	$ 52	$ 104

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Consolidated Statement of Changes in Equity

	Pactiv Shareholders					
	Common Stock	Premium on Common Stock and Other Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
	(In millions, except share data)					
Nine months ended September 30, 2010						
Balance, December 31, 2009	$ 1	$ 729	$ 1,981	$ (1,726)	$ 16	$ 1,001
Premium on common stock issued (700,129 shares)		16				16
Translation of foreign currency statements				4		4
Stock-based compensation		(7)				(7)
Change in pension and postretirement plan funded status, net of tax of $24				34		34
Dividends to noncontrolling interest					(2)	(2)
Net income			204		1	205
Balance, September 30, 2010	$ 1	$ 738	$ 2,185	$ (1,688)	$ 15	$ 1,251
Nine months ended September 30, 2009						
Balance, December 31, 2008	$ 1	$ 710	$ 1,658	$ (1,698)	$ 16	$ 687
Premium on common stock issued (485,106 shares)		12				12
Translation of foreign currency statements				8		8
Stock-based compensation		(3)				(3)
Gain (loss) on derivatives				(1)		(1)
Change in pension and postretirement plan funded status, net of tax of $14				23		23
Dividends paid to noncontrolling interest					(1)	(1)
Net income			251		1	252
Balance, September 30, 2009	$ 1	$ 719	$ 1,909	$ (1,668)	$ 16	$ 977

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Consolidated Statement of Comprehensive Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(In millions)			
Net income	$ 82	$ 95	$ 205	$ 252
Other comprehensive income (loss)				
Pension and postretirement plans	11	8	34	23
Net currency translation gain (loss)	9	2	4	8
Gain (loss) on derivatives		(1)		(1)
Total other comprehensive income (loss)	20	9	38	30
Consolidated comprehensive income (loss)	102	104	243	282
Comprehensive income (loss) attributable to the noncontrolling interest	1	1	1	1
Comprehensive income (loss) attributable to Pactiv	$ 101	$ 103	$ 242	$ 281

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited)

Note 1. Basis of Presentation

The consolidated statement of income for the three- and nine-month periods ended September 30, 2010, and 2009, the condensed consolidated statement of financial position at September 30, 2010, the condensed consolidated statement of cash flows for the nine-month periods ended September 30, 2010, and 2009, the consolidated statement of changes in equity for the nine-month period ended September 30, 2010, and 2009, and the consolidated statement of comprehensive income (loss) for the three- and nine-month periods ended September 30, 2010, and 2009 are unaudited. In our opinion, the accompanying financial statements contain all normal recurring adjustments necessary to present fairly the results of operations, financial position, and cash flows for the periods and at the dates indicated. These statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). They do not include all of the information and footnotes required by generally accepted accounting principles. Accordingly, these statements should be read in conjunction with Pactiv s Form 10-K for the year ended December 31, 2009, which may be found at www.pactiv.com, under the Investor Relations link, in the subsection entitled SEC Filings, or a free copy may be obtained by contacting Investor Relations at (866) 456-5439. Certain reclassifications have been made to the prior year financial information to conform with the current year presentation.

On April 1, 2010, we purchased PWP Holdings, Inc. and PWP Industries (PWP) for $203 million. PWP Industries manufactures and sells amorphous polyethylene terephthalate (APET) products in the foodservice market. The purchase price was funded by borrowing $160 million on our revolving credit facility, adding $20 million to the asset securitization program, and utilizing $23 million in cash reserves. The results of this business have been included in the consolidated financial statements as of that date.

On January 5, 2009, we purchased the polypropylene cup business of WinCup for $20 million. This business operates one manufacturing facility in North Carolina. The results of this business have been included in the consolidated financial statements as of that date.

We have three reporting segments:

Consumer Products manufactures disposable plastic, foam, molded fiber, pressed paperboard, and aluminum packaging products, and sells them to customers such as grocery stores, mass merchandisers, and discount chains. Products include waste bags, food storage bags, and disposable tableware and cookware. We sell many of our consumer products under well-known trademarks, such as Hefty®.

Foodservice/Food Packaging manufactures foam, clear plastic, aluminum, pressed paperboard, and molded fiber packaging products, and sells them to customers in the food distribution channel, who prepare and process food for consumption. Customers include foodservice distributors, restaurants, other institutional foodservice outlets, food processors, and grocery chains.

Other includes corporate and administrative service operations and retiree benefit income and expense.

The accounting policies of the reporting segments are the same as those for Pactiv as a whole. Where discrete financial information is not available by segment, reasonable allocations of expenses and assets/liabilities are used.

Note 2. Acquisition

On November 16, 2010 Reynolds Acquisition Corporation (Reynolds), a wholly owned indirect subsidiary of Reynolds Group Holdings Limited (RGHL) acquired 100% of the outstanding common stock of Pactiv for an aggregate purchase price of $4.5 billion. Reynolds merged with and into Pactiv with Pactiv surviving the merger as an indirect wholly owned subsidiary of RGHL.

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Note 3. Summary of Accounting Policies

For a complete discussion of our accounting policies, refer to Pactiv s most recent filing on Form 10-K.

Changes in Accounting Principles

The Financial Accounting Standards Board (FASB) issued updates to Accounting Standards Codification (ASC) 860-10 Transfers and Servicing, which were effective for interim and annual periods beginning after November 15, 2009. The updated provisions require additional information about transfers of financial assets and where companies have continuing exposure to the risk related to transferred financial assets, eliminates the concept of a qualifying special purpose entity, changes the requirements for derecognition of financial assets, and requires additional disclosures. ASC 860-10 was effective on January 1, 2010. See Accounts and Notes Receivables below and Note 6 for additional details.

The FASB issued updates to ASC 810-10 Consolidation, which were effective for interim and annual periods beginning after November 15, 2009. These updated provisions require an enterprise to perform an analysis to determine whether the enterprise s variable interest or interests give it a controlling financial interest in a variable interest entity, require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity, and eliminate the quantitative approach previously required for determining the primary beneficiary of a variable interest entity. In addition, the provisions include an additional reconsideration event for determining whether an entity is a variable interest entity when any changes in facts and circumstances occur such that holders of the equity investment at risk, as a group, lose the power from voting rights or similar rights of those investments to direct the activities of the entity that most significantly impact the entity s economic performance. Lastly, the provisions require enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise s involvement in a variable interest entity. ASC 860-10 was effective on January 1, 2010. See Accounts and Notes Receivables below and Note 6 for additional details.

Accounts and Notes Receivable

We have an asset securitization agreement under which certain of our accounts receivable are sold to our variable interest entity (VIE), Pactiv RSA. Under the accounting principles in effect prior to 2010, Pactiv RSA was not consolidated with our financial statements. In accordance with updated provisions within ASC 810-10 and 860-10, which we adopted January 1, 2010, Pactiv RSA was included in the consolidated financial statements as of that date.

Pactiv RSA held $397 million of receivables at September 30, 2010, securing $130 million of short-term debt borrowed from various financial institutions that hold interests in the VIE on a pro-rata basis equal to their shares of the total loan. The collection of these receivables is used first to repay the loans. Any remaining amounts collected are retained by Pactiv RSA. If the collection of the receivables is insufficient to repay the loans, the lenders do not have recourse to Pactiv. We maintain an allowance for doubtful accounts for any potential uncollectible amounts after the loans are repaid. At December 31, 2009, under the prior accounting principles, securitized receivables totaling $110 million were recorded as a reduction to accounts and notes receivable and no debt was recorded.

Note 4. Business Combination

On April 1, 2010, we purchased PWP Holdings, Inc. and PWP Industries for $203 million, which includes a $3 million working capital adjustment. The results of this business have been included in the consolidated financial statements as of that date.

The total cost of the acquisition was allocated to the assets acquired and the liabilities assumed based on their respective fair values. Allocations were based on preliminary estimates of the fair market value of assets

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

and liabilities, which are subject to revision based on receipt of final appraisals. Goodwill and other intangible assets recorded in connection with the acquisition totaled $100 million and $15 million, respectively. Recorded intangible assets pertaining to customer relationships and non-compete agreements are being amortized over a 15-year period.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed as of the acquisition date.

	(In millions)	
Current assets	$	40
Property, plant, and equipment		70
Intangible assets		15
Goodwill		100
Total assets acquired		225
Current liabilities		18
Long-term liabilities		4
Total liabilities assumed		22
Net assets acquired	$	203

Note 5. Discontinued Operations

On October 12, 2005, we completed the sale of most of our protective and flexible packaging businesses. The results of the sold business, as well as costs and charges associated with the transaction, are classified as discontinued operations.

In the third quarter of 2010, we recorded $2 million of income from discontinued operations related to the expiration of the statute of limitations on the 2006 tax year for tax liabilities which had been recorded in conjunction with divested businesses. In the third quarter of 2009, we recorded $15 million of income from discontinued operations related to the expiration of the statute of limitations on the 2005 tax year for tax liabilities which had been recorded in conjunction with divested business.

Non-current liabilities related to discontinued operations totaled $10 million at September 30, 2010, and $11 million at December 31, 2009.

Note 6. Debt and Financing Arrangements

Short-Term Debt

We have a revolving credit facility, and borrowings under this facility totaled $30 million at September 30, 2010. At that date, the fair value of this debt was equal to the outstanding balance.

As a part of our 2007 acquisition of Prairie Packaging, Inc. (Prairie), we assumed Prairie s liability for $5 million borrowed from the Illinois Department Finance Authority (IDFA), which were funded by industrial development revenue bonds issued by the IDFA. This debt will mature on December 1, 2010, and bears interest at varying rates (0.50% as of September 30, 2010) not to exceed 12% per annum. We decided to repay this debt in full on October 27, 2010.

On January 1, 2010, we adopted the accounting principles in accordance with updated provisions within ASC 810-10 and 860-10 as described in Note 2 related to our asset securitization program. Consequently, we consolidated Pactiv RSA as of the date of adoption, resulting in an increase in short-term debt. The asset securitization agreement is a five-year agreement expiring in 2012, which allows us to sell up to $130 million

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

of receivables under the facility. The terms of this agreement are re-negotiated annually; therefore, we have reflected it as short-term debt. The balance as of September 30, 2010, was $130 million. Interest on this debt is recorded in interest expense. Under the accounting prior to 2010, the discount on the sold receivables was recorded as a loss on sale in other income. The amounts recorded in interest expense were immaterial for the three-month period and $1 million for the nine-month period ended September 30, 2010. The recorded losses on the sale were immaterial for the three-month period, and $1 million for the nine-month period ended September 30, 2009.

Long-Term Debt

On October 4, 2010, the Company commenced tender offers/consent solicitations for its 5.875% Notes due July 15, 2012, in an aggregate principal amount of $250 million (the 2012 Notes) and its 6.400% Notes due January 15, 2018, in an aggregate principal amount of $250 million (the 2018 Notes). On October 19, 2010, the Company announced the expiration of the early tender/consent deadline in connection with 2012 Notes and the 2018 Notes. The results of such tender offers/consent solicitations were as follows: (i) 93.36% of the 2018 Notes were tendered and/or the related consents delivered and not validly withdrawn, so such tendered 2018 Notes will be accepted and purchased at closing of the merger, and (ii) the Company terminated the tender offer/consent solicitation for the 2012 Notes without accepting any tendered 2012 Notes.

On October 20, 2010, the Company commenced an offer to purchase for cash its 2012 Notes, at a price of 101% of the principal amount of such 2012 Notes, plus accrued and unpaid interest on the principal amount tendered to, but not including, the payment date, in accordance with the trust indenture governing the 2012 Notes based on the pending change of control from the pending acquisition of the Company by Reynolds Group Holdings Limited.

Note 7. Financial Instruments

Asset and Liability Instruments

At September 30, 2010, and December 31, 2009, the fair value of cash and temporary cash investments, short-and long-term receivables, accounts payable, and short-term debt were the same as, or not materially different from, the amount recorded for these assets and liabilities. The fair value of long-term debt was approximately $1.6 billion at September 30, 2010, and $1.5 billion at December 31, 2009. The recorded amount was $1.3 billion at September 30, 2010, and December 31, 2009. The fair value of long-term debt was based on quoted market prices for our debt instruments.

Instruments with Off-Balance Sheet Risk (Including Derivatives)

We use derivative instruments, principally swaps, forward contracts, and options, to manage our exposure to movements in foreign currency values, interest rates, and commodity prices.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income (OCI) and reclassified into earnings in the same period or periods in which the hedged transaction affects earnings. Financial instruments designated as cash flow hedges are assessed both at inception and quarterly thereafter to ensure they are effective in offsetting changes in the cash flows of the related underlying exposures. The fair value of the hedge instruments are reclassified from OCI to earnings if the hedge ceases to be highly effective or if the hedged transaction is no longer probable.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Foreign Currency

From time to time, we use derivative financial instruments to hedge our exposure to changes in foreign currency exchange rates, principally using foreign currency purchase and sale contracts with terms of less than one year. We do so to mitigate our exposure to exchange rate changes related to third-party trade receivables and accounts payable. Net gains or losses on such contracts are recognized in the statement of income as offsets to foreign currency exchange gains or losses on the underlying transactions. In the statement of cash flows, cash receipts and payments related to hedging contracts are classified in the same way as cash flows from the transactions being hedged. We had no open foreign currency contracts as of September 30, 2010.

Interest Rates

We entered into interest rate swap agreements in connection with the acquisition of Prairie. The agreements were terminated on June 20, 2007, resulting in a gain of $9 million. This gain is being recorded as a reduction of interest expense over the average life of the underlying debt. Amounts recognized in earnings related to our hedging transactions were $1 million for both the nine months ended September 30, 2010, and September 30, 2009.

Commodity

During the first nine months of 2010, we entered into natural gas purchase agreements with third parties, hedging a portion of the fourth quarter of 2010 purchases of natural gas used in the production processes at certain of our plants. These purchase agreements are marked to market, with the resulting gains or losses recognized in earnings when hedged transactions are recorded. The mark-to-market adjustments at September 30, 2010, were immaterial.

To minimize volatility in our margins due to large fluctuations in the price of commodities, in the third quarter of 2010 we entered into swap contracts to manage risks associated with market fluctuations in resin prices. These contracts were designated as cash flow hedges of forecasted commodity purchases. As of September 30, 2010, we have hedged, on a monthly basis, approximately 1% of the expected resin purchase volume for the remainder of 2010. Assuming the market prices of the swap contracts remained unchanged from the prices at September 30, 2010, the estimated gain expected to be reclassified to earnings in the remainder of 2010 would be immaterial.

Fair Value Measurements

Financial assets and liabilities that are recorded at fair value consist of derivative contracts that are used to hedge exposures to interest rate, commodity, and currency risks. ASC 820-10-35 Fair Value Measurements and Disclosures sets out a fair value hierarchy that groups fair value measurement inputs into three classifications: Level 1, Level 2, or Level 3. Level 1 inputs are quoted prices in an active market for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. All of our fair value measurements for derivative contracts use Level 2 inputs.

The fair value of our derivative instruments recorded in the consolidated balance sheet as of September 30, 2010 was $1 million. There were no outstanding derivative instruments recorded in the consolidated balance sheet as of December 31, 2009.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

The following table indicates the amounts recognized in OCI for those derivatives designated as cash flow hedges for the nine months ended September 30, 2010, and September 30, 2009.

	Gain or (Loss) Recognized in OCI (Effective Portion) 2010	2009	Location of Gain or (Loss) Reclassified from OCI into Income (Effective Portion) (In millions)	(Gain) or Loss Reclassified from OCI into Income (Effective Portion) 2010	2009
Commodity Contracts	$ 1	$	Cost of Sales	$	$ (2)
Interest Rate Contracts	$	$	Interest Expense	$ (1)	$ (1)

Note 8. Goodwill and Intangible Assets

The changes in the carrying values of goodwill between December 31, 2009, and September 30, 2010, are shown in the following table.

	Consumer Products	Foodservice/ Food Packaging	Total
	(In millions)		
Balance, December 31, 2009	$ 291	$ 844	$ 1,135
Goodwill additions		100	100
Foreign currency translation adjustment		1	1
Balance, September 30, 2010	$ 291	$ 945	$ 1,236

Intangible assets are summarized in the following table.

	September 30, 2010		December 31, 2009	
	Carrying Value	Accumulated Amortization	Carrying Value	Accumulated Amortization
	(In millions)			
Intangible assets subject to amortization				
Patents	$ 87	$ 78	$ 87	$ 74
Customer relationships	224	47	209	36

Other	144	91	145	88
	455	216	441	198
Intangible assets not subject to amortization (primarily trademarks)	129		129	
	$ 584	$ 216	$ 570	$ 198

Intangible assets of $15 million were recorded in connection with the acquisition of PWP Industries and are being amortized over a 15-year period for book purposes. Amortization expense for intangible assets was $19 million for both the nine months ended September 30, 2010, and September 30, 2009. Amortization expense is estimated to total $26 million for 2010, $25 million for 2011, $24 million for 2012, $20 million for 2013, and $20 million for 2014.

We review the carrying value of our goodwill and indefinite-lived intangibles for possible impairment on an annual basis. Our annual review is conducted in the fourth quarter of the year, or earlier if warranted by events or changes in circumstances. There were no events or changes in circumstances in the first nine months of 2010 that warranted an impairment review of the goodwill and indefinite-lived intangibles.

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Note 9. Property, Plant, and Equipment, Net

	September 30, 2010	December 31, 2009
	(In millions)	
Original cost		
Land, buildings, and improvements	$ 688	$ 667
Machinery and equipment	2,121	1,929
Other, including construction in progress	122	96
	$ 2,931	$ 2,692
Less accumulated depreciation and amortization	(1,697)	(1,520)
Net property, plant, and equipment	$ 1,234	$ 1,172

Capitalized interest was $2 million for the nine months ended September 30, 2010, and $1 million for the nine months ended September 30, 2009.

Note 10. Income Taxes

Total gross unrecognized income tax benefits were $39 million as of September 30, 2010, and $58 million as of December 31, 2009. The total amount of unrecognized income tax benefits that, if recognized, would favorably impact our effective tax rate for continuing operations in future periods was $31 million at September 30, 2010, and $50 million at December 31, 2009. As of September 30, 2010, it is reasonably possible that the amount of unrecognized income tax benefits may increase or decrease during the following twelve months. However, it is not expected that any such changes, individually or in total, would significantly affect our operating results or financial condition.

It is our continuing practice to record accruals for interest and penalties related to income tax matters as income tax expense. Such accruals totaled $10 million as of September 30, 2010, and $11 million as of December 31, 2009. Expense recorded in the first nine months of 2010 for interest and penalties for continuing operations was immaterial.

As a result of the expiration of the U.S. federal statute of limitations for the year ended December 31, 2006, we recorded an income tax benefit of $21 million for continuing operations and $2 million for discontinued operations for the three month period ending September 30, 2010. U.S. federal income tax returns filed for the years 2007 through 2009 are open for examination by the Internal Revenue Service. Various state, local, and foreign tax returns filed for the years 2003 through 2009 are open for examination by tax authorities in those jurisdictions.

There were no gross unrecognized income tax benefits related to discontinued operations at September 30, 2010. Total gross unrecognized income tax benefits included $1 million related to discontinued operations at December 31, 2009. Expense recorded in the first nine months of 2010 for interest and penalties for discontinued operations was immaterial.

In connection with the adoption of ASC 718-10, Share-Based Payment, we elected to use the simplified method in calculating our additional paid-in capital pool, as described in prior authoritative guidance. ASC 718-10 requires that tax deductions for compensation costs in excess of amounts recognized for accounting purposes be reported as cash flow from financing activities, rather than as cash flow from operating activities. Such excess amounts were $3 million for the nine months ended September 30, 2010.

On March 23, 2010, the Patient Protection and Affordable Care Act (the Act) was signed into law. Included in the provisions is a change in the federal income tax treatment of the Medicare Part D subsidy. For periods beginning after December 31, 2012, we will no longer be entitled to receive a federal income tax

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

deduction for payments made to provide our retirees with prescription drug benefits which equal previous subsidies we received from the U.S. government for providing retirees with prescription drug benefits. We had previously recorded a deferred income tax asset for the tax benefit of future payments made with respect to this subsidy. As a result of the Act, we have written-off $3 million of deferred income tax assets as a component of income tax expense from continuing operations for the nine month period ended September 30, 2010.

Note 11. Common Stock

Earnings Per Share

Earnings per share of common stock outstanding were computed as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(In millions, except share and per share data)			
Basic earnings per share				
Income from continuing operations attributable to Pactiv	$ 79	$ 79	$ 202	$ 237
Weighted-average number of shares of common stock outstanding	132,998,767	131,972,681	132,810,707	131,860,351
Basic earnings from continuing operations attributable to Pactiv	$ 0.59	$ 0.60	$ 1.52	$ 1.79
Diluted earnings per share				
Income from continuing operations attributable to Pactiv	$ 79	$ 79	$ 202	$ 237
Weighted-average number of shares of common stock outstanding	132,998,767	131,972,681	132,810,707	131,860,351
Effect of dilutive securities				
Stock options	698,731	512,681	559,779	293,795
Performance shares	632,430	707,921	667,526	665,148
Restricted shares	36,703		14,922	
Weighted-average number of shares of common stock outstanding, including dilutive securities	134,366,631	133,193,283	134,052,934	132,819,294
Diluted earnings from continuing operations attributable to Pactiv	$ 0.59	$ 0.59	$ 1.51	$ 1.78

We did not repurchase stock in the first nine months of 2010 or 2009.

Rabbi Trust

In November 1999, we established a rabbi trust and reserved 3,200,000 shares of Pactiv common stock for the trust. These shares were issued to the trust in January 2000. This trust is designed to assure the payment of deferred compensation and supplemental pension benefits. These shares are not considered outstanding for purposes of financial reporting.

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Note 12. Pension Plans and Other Postretirement Benefits

The impact of pension plans on pretax income was as follows:

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
	(In millions)			
Components of net periodic benefit income (expense)				
Service cost of benefits earned	$ (4)	$ (4)	$ (13)	$ (11)
Interest cost of benefit obligations	(57)	(60)	(170)	(180)
Expected return on plan assets	92	87	275	256
Amortization of unrecognized net losses	(19)	(13)	(56)	(38)
Total net periodic benefit income (expense)	$ 12	$ 10	$ 36	$ 27

We have postretirement health care and life insurance plans that cover certain of our salaried and hourly employees who retire in accordance with the various provisions of such plans. Benefits may be subject to deductibles, copayments, and other limitations. These postretirement plans are not funded, and we reserve the right to change them.

The impact of postretirement plans on pretax income was as follows:

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
	(In millions)			
Components of net periodic benefit income (expense)				
Service cost of benefits earned	$	$ (1)	$ (1)	$ (1)
Interest cost of benefit obligations	(1)	(1)	(3)	(3)
Expected return on plan assets				
Amortization of unrecognized net losses		1		1
Total net periodic benefit income (expense)	$ (1)	$ (1)	$ (4)	$ (3)

Note 13. Segment Information

Our three segments are Consumer Products, Foodservice/Food Packaging, and Other. See Note 1 for additional details.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

The following table sets forth certain segment information.

	Consumer Products	Foodservice/Food Packaging	Other	Total
		(In millions)		
For the three months ended September 30, 2010				
Sales to external customers	$ 333	$ 611	$	$ 944
Operating income (loss)	58	64	(5)(a)	117
For the three months ended September 30, 2009				
Sales to external customers	$ 312	$ 527	$	$ 839
Operating income (loss)	80	73	(5)(a)	148
At September 30, 2010, and for the nine months then ended				
Sales to external customers	$ 985	$ 1,709	$	$ 2,694
Operating income (loss)	185	182	(7)(a)	360
Total assets	1,290	2,523	146(b)	3,959
At September 30, 2009, and for the nine months then ended				
Sales to external customers	$ 951	$ 1,555	$	$ 2,506
Operating income (loss)	223	234	(11)(a)	446
Total assets	1,250	2,111	211(b)	3,572

(a) Includes pension plan income and unallocated corporate expenses.

(b) Includes administrative service operations.

Note 14. Noncontrolling Interests

There were no changes in ownership interest in our subsidiaries for the nine months ended September 30, 2010, or September 30, 2009.

Note 15. Guarantor.

Certain subsidiaries of Pactiv have entered into guarantee and security arrangements in connection with indebtedness entered into by RGHL and its subsidiaries and affiliates in connection with the acquisition of Pactiv by RGHL as described in Note 2. In accordance with SEC regulation S-X Rule 3-10 disclosure requirements, the following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as of September 30, 2010 and the related statements of income and cash flow for the nine month period ended September 30, 2010 of (a) Pactiv Corporation (the Parent), (b) the other guarantor subsidiaries, (c) the non-guarantor subsidiaries and (d) Pactiv Corporation on a consolidated basis.

(2) The eliminating entries necessary to consolidate the Parent with the other guarantor subsidiaries and the non-guarantor subsidiaries.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Each guarantor subsidiary is 100% owned by Pactiv Corporation. The notes issued by RGHL are fully and unconditionally guaranteed to the extent permitted by law and subject to certain customary guarantee release provisions set forth in the indentures or other documents governing such notes on a joint and several basis by each guarantor subsidiary. Provided below are condensed statements of income, financial position, and cash flows of Pactiv Corporation and the condensed statements of income, financial position and cash flows of the guarantor and non-guarantor subsidiaries. They have been prepared under the accounting policies of Pactiv Corporation. The guarantor subsidiaries and non-guarantor subsidiaries are each presented on a combined basis. The principle eliminating entries eliminate investments in subsidiaries and intercompany balances and transactions.

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Condensed Consolidating Statement of Income
For the nine months ending September 30, 2010

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Sales	$	$ 2,641	$ 53	$	$ 2,694
Cost of sales		(1,911)	(44)		(1,955)
Selling, general, and administrative	(43)	(189)	(4)		(236)
Depreciation and amortization	(5)	(139)	(1)		(145)
Other	126	(124)			2
Operating income (loss)	**78**	**278**	**4**		**360**
Interest expense (net of interest income)	(69)	(5)			(74)
Share of income of joint ventures			1		1
Share of equity earnings of subsidiaries, net of tax	196			(196)	
Income (loss) before income taxes	**205**	**273**	**5**	**(196)**	**287**
Income tax expense	(3)	(80)	(1)		(84)
Income from continuing operations	**202**	**193**	**4**	**(196)**	**203**
Discontinued operations, net of tax	2				2
Net income	**204**	**193**	**4**	**(196)**	**205**
Less: Net income attributable to the noncontrolling interest			(1)		(1)
Net income attributable to Pactiv	**$ 204**	**$ 193**	**$ 3**	**$ (196)**	**$ 204**

F-470

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Condensed Consolidating Statement of Financial Position
September 30, 2010

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Assets					
Cash and temporary cash investments	$ 4	$ 39	$ 9	$	$ 52
Accounts and notes receivable	1	455	21		477
Inventories		472	10		482
Intercompany accounts	(223)	359	1	(137)	
Deferred income tax assets	34				34
Other assets	4	10			14
Total current assets	(180)	1,335	41	(137)	1,059
Property, plant, and equipment, net	49	1,173	12		1,234
Goodwill		1,236			1,236
Intangible assets, net		367	1		368
Investments in affiliates & intercompany accounts	2,814		2	(2,814)	2
Other	41	19			60
Total other assets	2,855	1,622	3	(2,814)	1,666
Total assets	**$ 2,724**	**$ 4,130**	**$ 56**	**$ (2,951)**	**$ 3,959**
Liabilities and Equity					
Short-term debt, including current maturities of long-term debt	$ 30	$ 135	$	$	$ 165
Accounts payable	3	182	5		190
Short-term borrowings-affiliates	11	(8)	8	(11)	
Intercompany accounts		115	3	(118)	
Other liabilities	61	177	1		239
Total current liabilities	105	601	17	(129)	594
Long-term debt	1,270				1,270
Deferred income taxes		111			111
Intercompany accounts		120		(120)	
Pension and postretirement benefits		598			598
Other	113	20	2		135
Total Pactiv shareholders equity	1,236	2,680	22	(2,702)	1,236
Noncontrolling interest			15		15

Total equity	1,236	2,680	37	(2,702)	1,251
Total liabilities and equity	**$ 2,724**	**$ 4,130**	**$ 56**	**$ (2,951)**	**$ 3,959**

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Unaudited) (Continued)

Condensed Consolidating Statement of Cash Flows
For the nine months ending September 30, 2010

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Cash provided (used) by operating activities	**$**	**$ 242**	**$ (4)**	**$ 16**	**$ 254**
Cash provided (used) by investing activities	**(331)**	**(172)**		**201**	**(302)**
Included in investing activities:					
Expenditures for property, plant, and equipment	(1)	(99)			(100)
Acquisitions of business and assets	(203)				(203)
Other investing activities	(127)	(73)		201	1
Cash provided (used) by financing activities	**331**	**(58)**	**(3)**	**(217)**	**53**
Included in financing activities:					
Issuance of common stock	3				3
Revolving credit facility borrowings	160				160
Intercompany borrowings/loans	296	(78)	(1)	(217)	
Revolving credit facility payment	(130)				(130)
Assets securitization borrowings		20			20
Dividends paid to noncontrolling interest			(2)		(2)
Other	2				2
Effect of foreign exchange rate changes on cash and temporary cash investments			**1**		**1**
Increase (decrease) in cash and temporary cash investments		**12**	**(6)**		**6**
Cash and temporary cash investments, January 1, 2010	5	26	15		46
Cash and temporary cash investments, September 30, 2010	$ 5	$ 38	$ 9	$	$ 52

Table of Contents

Pactiv Corporation
Audited annual consolidated financial statements
For the year ended December 31, 2009, 2008, 2007.

F-473

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Pactiv Corporation

We have audited the accompanying consolidated statement of financial position of Pactiv Corporation (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pactiv Corporation at December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, in 2009 the Company changed its method of accounting for inventory and in 2008 the Company adopted the requirement to measure the funded status of its defined benefit pension and postretirement healthcare plans as of the date of the year-end statement of financial position.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
February 26, 2010,
except for Notes 1, 18 and 19, as to which the date is July 11, 2011

Table of Contents

Pactiv Corporation

Consolidated Statement of Income

	For Years Ended December 31		
	2009	2008(1)	2007(1)
	(In millions, except share and per share data)		
Sales			
Consumer Products	$ 1,285	$ 1,342	$ 1,221
Foodservice/Food Packaging	2,075	2,225	2,032
	3,360	3,567	3,253
Costs and expenses			
Cost of sales, excluding depreciation and amortization	2,241	2,638	2,325
Selling, general, and administrative	349	281	286
Depreciation and amortization	184	182	166
Other	7	6	7
Restructuring and other		16	
	2,781	3,123	2,784
Operating income	579	444	469
Other income (expense)			
Interest income	1	2	5
Interest expense, net of interest capitalized	(94)	(106)	(96)
Income before income taxes	486	340	378
Income tax expense	177	119	133
Income from continuing operations	309	221	245
Discontinued operations, net of tax	15	(4)	1
Net income	324	217	246
Less: Net income attributable to the noncontrolling interest	1	1	2
Net income attributable to Pactiv	$ 323	$ 216	$ 244
Amounts attributable to Pactiv common shareholders			
Income from continuing operations, net of tax	$ 308	$ 220	$ 243
Discontinued operations, net of tax	15	(4)	1
Net income	$ 323	$ 216	$ 244
Earnings per share			
Weighted-average number of shares of common stock outstanding			

Basic		131,967,907		130,925,861		130,912,229
Diluted		133,471,047		132,473,458		132,869,555
Basic earnings per share of common stock attributable to Pactiv common shareholders						
Continuing operations	$	2.33	$	1.68	$	1.85
Discontinued operations		0.12		(0.03)		0.01
Total	$	2.45	$	1.65	$	1.86
Diluted earnings per share of common stock attributable to Pactiv common shareholders						
Continuing operations	$	2.31	$	1.66	$	1.83
Discontinued operations		0.11		(0.03)		0.01
Total	$	2.42	$	1.63	$	1.84

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Pactiv Corporation

Consolidated Statement of Financial Position

	At December 31 2009	At December 31 2008(1)
	(In millions, except share data)	
ASSETS		
Current assets		
Cash and temporary cash investments	$ 46	$ 80
Accounts and notes receivable		
Trade, less allowances of $6 and $7 at the respective dates	277	264
Other	51	47
Total accounts and notes receivable	328	311
Inventories		
Finished goods	240	209
Work in process	39	55
Raw materials	63	78
Other materials and supplies	48	49
Total inventories	390	391
Deferred income tax assets	53	
Other	15	15
Total current assets	832	797
Property, plant, and equipment, net	1,172	1,209
Other assets		
Goodwill	1,135	1,128
Intangible assets, net	372	396
Noncurrent deferred income tax asset		161
Other	63	70
Total other assets	1,570	1,755
Total assets	$ 3,574	$ 3,761
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt, including current maturities of long-term debt	$ 5	$
Accounts payable	144	115

Taxes accrued	24	14
Interest accrued	20	20
Accrued promotions, rebates, and discounts	73	68
Accrued payroll and benefits	97	66
Other	54	55
Total current liabilities	417	338
Long-term debt	1,270	1,345
Deferred income taxes	61	
Pension and postretirement benefits	694	1,266
Other	120	95
Noncurrent liabilities related to discontinued operations	11	30
Pactiv shareholders equity		
Common stock $0.01 par value, 350,000,000 shares authorized, 132,334,417 and 131,510,270 shares issued and outstanding, after deducting 39,448,760 and 40,272,907 shares held in treasury, at the respective dates	1	1
Premium on common stock and other capital surplus	729	710
Accumulated other comprehensive income (loss)		
Currency translation adjustment	(3)	(16)
Pension and postretirement plans	(1,729)	(1,689)
Gain (loss) on derivatives	6	7
Retained earnings	1,981	1,658
Total Pactiv shareholders equity	985	671
Noncontrolling interest	16	16
Total equity	1,001	687
Total liabilities and equity	$ 3,574	$ 3,761

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Pactiv Corporation

Consolidated Statement of Cash Flows

	For the Twelve Months Ended December 31		
	2009	2008(1)	2007(1)
		(In millions)	
Operating activities			
Net income	$ 324	$ 217	$ 246
Discontinued operations	(15)	4	(1)
Income from continuing operations	309	221	245
Adjustments to reconcile income from continuing operations to cash provided (used) by operating activities:			
Depreciation and amortization	184	182	166
Deferred income taxes	208	112	37
Restructuring and other	(1)	12	
Pension income	(36)	(49)	(50)
Noncash compensation expense	16	16	9
Pension contributions	(550)		
Changes in components of working capital			
(Increase) decrease in receivables	(16)	(14)	103
(Increase) decrease in inventories	7	22	4
(Increase) decrease in prepayments and other current assets	1	(2)	
Increase (decrease) in accounts payable	28	(45)	(26)
Increase (decrease) in taxes accrued	(30)	(66)	(16)
Increase (decrease) in interest accrued		(2)	15
Increase (decrease) in other current liabilities	36	(23)	(37)
Other	8	(6)	(5)
Cash provided (used) by operating activities continuing operations	164	358	445
Cash provided (used) by operating activities discontinued operations	(3)	(8)	(8)
Cash provided (used) by operating activities	$ 161	$ 350	$ 437
Investing activities			
Expenditures for property, plant, and equipment	$ (111)	$ (136)	$ (151)
Acquisitions of businesses and assets	(20)		(1,015)
Net proceeds from the sale of a business or assets			2
Other investing activities	2	(1)	
Cash provided (used) by investing activities	$ (129)	$ (137)	$ (1,164)
Financing activities			
Issuance of common stock	$ 6	$ 8	$ 19
Purchase of common stock		(2)	(108)

Issuance of long-term debt, net of discounts			498
Retirement of long-term debt			(99)
Revolving credit facility borrowings			432
Revolving credit facility payment	(70)	(230)	(132)
Dividends paid to noncontrolling interest	(1)	(1)	(1)
Other	(1)	(1)	29
Cash provided (used) by financing activities	$ (66)	$ (226)	$ 638
Effect of foreign exchange rate changes on cash and temporary cash investments		(2)	3
Increase (decrease) in cash and temporary cash investments	(34)	(15)	(86)
Cash and temporary cash investments, January 1	80	95	181
Cash and temporary cash investments, December 31	$ 46	$ 80	$ 95
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 93	$ 109	$ 81
Cash paid for income taxes continuing operations	4	59	94
Cash paid for income taxes discontinued operations	4	7	8

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

Table of Contents

Pactiv Corporation

Consolidated Statement of Changes in Equity

	Pactiv Shareholders					
	Common Stock	Premium on Common Stock and Other Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
	(In millions, except share amounts)					
Balance, December 31, 2006(1)	$ 1	$ 757	$ 1,191	$ (1,063)	$ 10	$ 896
Premium on common stock issued (1,138,286 shares)		19				19
Treasury stock repurchased (3,374,821 shares)		(108)				(108)
Translation of foreign currency statements				15	1	16
Stock-based compensation		15				15
Gain (loss) on derivatives				8		8
Pension and postretirement benefit liability adjustments, net of tax of $116				178		178
Dividends paid to noncontrolling interest					(1)	(1)
Purchase of equity from noncontrolling interest					3	3
Net income			244		2	246
Balance, December 31, 2007(1)	$ 1	$ 683	$ 1,435	$ (862)	$ 15	$ 1,272
Premium on common stock issued (1,028,245 shares)		25				25
Treasury stock repurchased (75,218 shares)		(2)				(2)
Translation of foreign currency statements				(40)	1	(39)
Stock-based compensation		4				4
Gain (loss) on derivatives				(1)		(1)
Impact of adopting ASC 715-20-65 measurement date change, net of tax of $4			7			7
Pension and postretirement benefit liability adjustments, net of tax of $(468)				(795)		(795)
					(1)	(1)

Dividends paid to noncontrolling interest						
Net income			216		1	217
Balance, December 31, 2008(1)	$ 1	$ 710	$ 1,658	$ (1,698)	$ 16	$ 687
Premium on common stock issued (806,759 shares)		19				19
Translation of foreign currency statements				13		13
Stock-based compensation						
Gain (loss) on derivatives				(1)		(1)
Pension and postretirement benefit liability adjustments, net of tax of $16				(40)		(40)
Dividends paid to noncontrolling interest					(1)	(1)
Net income			323		1	324
Balance, December 31, 2009	$ 1	$ 729	$ 1,981	$ (1,726)	$ 16	$ 1,001

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

F-478

Table of Contents

Pactiv Corporation

Consolidated Statement of Comprehensive Income (Loss)

	Twelve Months Ended December 31,		
	2009	2008(1)	2007(1)
	(In millions)		
Net income	$ 324	$ 217	$ 246
Other comprehensive income (loss)			
Pension and postretirement plans	(40)	(795)	178
Net currency translation gain (loss)	13	(39)	16
Gain (loss) on derivatives	(1)	(1)	8
Total other comprehensive income (loss)	(28)	(835)	202
Consolidated comprehensive income (loss)	296	(618)	448
Comprehensive income (loss) attributable to the noncontrolling interest	1	2	3
Comprehensive income (loss) attributable to Pactiv	$ 295	$ (620)	$ 445

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

F-479

Pactiv Corporation

Notes to Financial Statements

Note 1. Basis of Presentation

Financial statements for all periods presented in this report were prepared on a consolidated basis in accordance with generally accepted accounting principles consistently applied, except for changes in accounting principles disclosed in Note 2. All per share information is presented on a diluted basis unless otherwise noted. Certain reclassifications have been made to prior years financial information to conform to current year presentation.

On January 5, 2009, we purchased the polypropylene cup business of WinCup for $20 million. This business operates one manufacturing facility in North Carolina. The results of this business have been included in the consolidated financial statements as of that date.

We have three reporting segments:

Consumer Products manufactures disposable plastic, foam, molded fiber, pressed paperboard, and aluminum packaging products, and sells them to customers such as grocery stores, mass merchandisers, and discount chains. Products include waste bags, food storage bags, and disposable tableware and cookware. We sell many of our consumer products under well-known trademarks such as Hefty®.

Foodservice/Food Packaging manufactures foam, clear plastic, aluminum, pressed paperboard, and molded fiber packaging products, and sells them to customers in the food distribution channel, who prepare and process food for consumption. Customers include foodservice distributors, restaurants, other institutional foodservice outlets, food processors, and grocery chains.

Other includes corporate and administrative service operations and retiree benefit income and expense.

The accounting policies of the reporting segments are the same as those for Pactiv as a whole. Where discrete financial information is not available by segment, reasonable allocations of expenses and assets/liabilities are used.

In 2009, we changed our method of accounting for inventory from a combination of the last-in, first-out (LIFO) method and the first-in, first-out (FIFO) method to the FIFO method. In accordance with Accounting Standards Codification (ASC) 250-10 Accounting Changes and Error Corrections, all prior periods presented have been retrospectively adjusted to apply the new method of accounting. For more information on the change in inventory accounting method, see Note 2 to the financial statements.

Subsequent Events

In February 2010, the board of directors approved an Agreement and Plan of Merger with PWP Holdings, Inc. whereby Pactiv will acquire PWP Holdings and PWP Industries for $200 million. This transaction closed April 1, 2010. PWP Industries manufactures and sells amorphous polyethylene terephthalate (APET) products in the food service market.

In February 2010, the board of directors also approved the repurchase of an additional 10 million shares of our common stock. This amount is in addition to the remaining 522,361 shares authorized to be repurchased as of December 31, 2009.

On November 16, 2010 Reynolds Acquisition Corporation (Reynolds), a wholly owned indirect subsidiary of Reynolds Group Holdings Limited (RGHL) acquired 100% of the outstanding common stock of Pactiv for an aggregate purchase price of $4.5 billion. Reynolds merged with and into Pactiv with Pactiv surviving the merger as an indirect wholly owned subsidiary of RGHL.

Pactiv Corporation

Notes to Financial Statements (Continued)

Note 2. Summary of Accounting Policies

Consolidation

Our financial statements include all majority-owned subsidiaries. Investments in 20% to 50% owned companies in which we have the ability to exert significant influence over operating and financial policies are accounted for using the equity method of accounting. All inter-company transactions are eliminated.

Foreign Currency Translation

Financial statements of international operations are translated into U.S. dollars using end-of-period exchange rates for assets and liabilities and weighted-average exchange rates for sales, expenses, gains, and losses. Translation adjustments are recorded as a component of shareholders equity.

Cash and Temporary Cash Investments

We define cash and temporary cash investments as checking accounts, money market accounts, certificates of deposit, and U.S. Treasury notes having an original maturity of 90 days or less.

Accounts and Notes Receivable

Trade accounts receivable are classified as current assets and are reported net of allowances for doubtful accounts. We record such allowances based on a number of factors, including historical trends and specific customer situations.

On a recurring basis, we sell an undivided interest in a pool of trade receivables meeting certain criteria to a third party as an alternative to debt financing. Such sales, which represent a form of off-balance-sheet financing, are recorded as a reduction of accounts and notes receivable in the statement of financial position. Related proceeds are included in cash provided by operating activities in the statement of cash flows. At December 31, 2009, receivables aggregating $110 million were sold, while receivables totaling $130 million were sold at December 31, 2008. Discounts and fees related to such sales were $1 million in 2009, and $4 million in both 2008 and 2007. These expenses are included in other expense in the statement of income. In the event that either Pactiv or the third-party purchaser of the trade receivables were to discontinue this program, our debt would increase, or our cash balance would decrease, by an amount corresponding to the level of sold receivables at such time.

Inventories

Our inventories are stated at the lower of cost or market using the FIFO method. We periodically review inventory balances to identify slow-moving and/or obsolete items. This determination is based on a number of factors, including new product introductions, changes in consumer demand patterns, and historical usage trends.

In 2009, we changed our method of accounting for inventory from a combination of the LIFO method and the FIFO method to the FIFO method. All of our businesses now use the FIFO method of accounting for inventory. We believe the new method of accounting for inventory is preferable because the FIFO method better reflects the current value of inventories on the Consolidated Statement of Financial Position, provides better matching of revenue and expenses under our business model, and provides uniformity across our operations with respect to the method of inventory accounting for financial reporting.

In accordance with ASC 250-10 Accounting Changes and Error Corrections, all prior periods presented have been retrospectively adjusted to apply the new method of accounting.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The following table presents the line items on the statement of income that were impacted by the accounting change for the years ended December 31, 2008, and 2007.

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions, except per share data)			
Cost of Sales, excluding depreciation and amortization	$ 2,636	$ 2,638	$ 2,322	$ 2,325
Operating income	446	444	472	469
Income tax expense	120	119	135	133
Income from continuing operations	222	221	246	245
Net income attributable to Pactiv	217	216	245	244
Earnings (loss) per share of common stock:				
Basic	$ 1.66	$ 1.65	$ 1.87	$ 1.86
Diluted	$ 1.64	$ 1.63	$ 1.85	$ 1.84

The following table presents the line items on the statement of financial position that were impacted by the accounting change as of December 31, 2008.

	December 31, 2008	
	As Originally Reported	As Adjusted
	(In millions)	
Inventories	$ 344	$ 391
Deferred income tax assets	14	
Goodwill	1,124	1,128
Other current liabilities	50	55
Retained earnings	1,626	1,658

The following table presents the line items on the statement of cash flows that were impacted by the accounting change for the years ended December 31, 2008, and 2007.

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted

	(In millions)			
Net income	$ 218	$ 217	$ 247	$ 246
Deferred income taxes	113	112	38	37
(Increase) decrease in inventories	20	22	1	4

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The following table presents the segment information line items that were impacted by the accounting change for the years ended December 31, 2008, and 2007.

	Year Ended December 31, 2008		Year Ended December 31, 2007	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions)			
Operating income (loss)				
Consumer Products	$ 207	$ 207	$ 227	$ 226
Foodservice/Food Packaging	236	234	247	245
Other	3	3	(2)	(2)
Total operating income (loss)	$ 446	$ 444	$ 472	$ 469
Total assets				
Consumer Products	$ 1,307	$ 1,326	$ 1,345	$ 1,365
Foodservice/Food Packaging	2,070	2,102	2,125	2,159
Other	348	333	295	274
Total assets	$ 3,725	$ 3,761	$ 3,765	$ 3,798

For a summary of the effect of the retrospective adjustments resulting from the change in accounting principle for inventory costs for the interim quarters of 2009, see Note 16 to the financial statements.

Property, Plant, and Equipment, Net

Depreciation is recorded on a straight-line basis over the estimated useful lives of assets. Useful lives range from 10 to 40 years for buildings and improvements and from 3 to 25 years for machinery and equipment. Depreciation expense totaled $158 million in 2009, $155 million in 2008, and $143 million in 2007.

We capitalize certain costs related to the purchase and development of software used in our business. Such costs are amortized over the estimated useful lives of the assets, ranging from 3 to 12 years. Capitalized software development costs, net of amortization at December 31 were $16 million in 2009, and $20 million in 2008.

We periodically re-evaluate the carrying values and estimated useful lives of long-lived assets to determine if adjustments are warranted. We use estimates of undiscounted cash flows from long-lived assets to determine whether the book value of such assets is recoverable over the assets remaining useful lives.

Goodwill and Intangibles, Net

We review the carrying value of our goodwill and indefinite-lived intangibles for possible impairment on an annual basis. Our annual review is conducted in the fourth quarter of the year, or earlier if warranted by events or changes in circumstances.

Possible impairment of goodwill is determined using a two-step process.

The first step requires that the fair value of individual reporting units be compared with their respective carrying values. If the carrying value of a reporting unit exceeds its fair value, a second step is performed to measure the amount of impairment, if any.

Pactiv Corporation

Notes to Financial Statements (Continued)

> The second step requires that the fair value of a reporting unit be allocated to all of its assets and liabilities, including indefinite-lived intangibles. Any remaining fair value is the implied goodwill, which is then compared with the carrying value of goodwill.

We test goodwill for impairment at the reporting unit level. Our four reporting units are Institutional, Specialty (both part of the Foodservice reporting segment), Consumer, and Other (Corporate functions). Our operating segments are each deemed to be a reporting unit as none of the operating segments components qualifies as a separate reporting unit or the operating segment is comprised of only one component.

Estimates of fair value used in testing goodwill and indefinite-lived intangible assets for possible impairment are determined using the discounted cash flow method. This approach uses estimates and assumptions regarding the amount and timing of projected cash flows, discount rates reflecting the risk inherent in future cash flows, perpetual growth rates, and appropriate market comparables. We believe this is the most appropriate method as it reflects how Pactiv, as well as other investors, typically value packaging industry companies. We also compare the result of the discounted cash flow method to the enterprise value (market capitalization plus debt) of Pactiv.

The many assumptions used in the cash flow analysis are subject to the accuracy of our projections of volume, selling price, raw materials costs and SG&A expenses. The percentage by which projected discounted cash flows would have to decrease to have a failure in step one of the impairment test is 61% for Consumer, 61% for Institutional, and 70% for Specialty. Our Other reporting unit has no goodwill or indefinite-lived intangible assets.

Intangible assets that are not deemed to have an indefinite life are amortized over their useful lives. We use undiscounted cash flows, excluding interest charges, to assess the recoverability of the carrying value of such assets, and record an impairment loss if the carrying value of assets exceeds their fair value. See Note 8 for additional information.

Environmental Liabilities

We are subject to a variety of environmental and pollution control laws and regulations. From time to time, we identify costs or liabilities arising from compliance with environmental laws and regulations. When related liabilities are probable and can be reasonably estimated, we establish appropriate reserves. Estimated liabilities may change as additional information becomes available. We appropriately adjust our reserves as new information on possible clean-up costs, expense and effectiveness of alternative clean-up methods, and other potential liabilities is received. We do not expect that any additional liabilities recorded as a result of the availability of new information will have a material adverse effect on our financial position. However, such costs could have a material effect on our results of operations or cash flows in a particular period.

Revenue Recognition

We recognize sales when the risks and rewards of ownership have transferred to customers, which generally occurs as products are shipped. In arriving at net sales, we estimate the amount of deductions from sales that are likely to be earned or taken by customers in conjunction with incentive programs. These include volume rebates, early payment discounts, and coupon offerings. Estimates are based on historical trends and are reviewed quarterly for possible revision. In addition, we pay slotting fees and participate in cooperative advertising programs. The cost for all such programs are accounted for as reductions to revenues.

Freight

We record amounts billed to customers for shipping and handling as sales, and record shipping and handling expenses as cost of sales.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

General and Administrative Expenses

Total noncash pension income was as follows:

	For the Years Ended December 31		
	2009	2008	2007
	(In millions)		
Pension income (recorded as an offset to selling, general, and administrative costs)	$ 44	$ 54	$ 54
Pension service costs associated with production operations (recorded in cost of sales)	(8)	(5)	(4)
Total noncash pension income	$ 36	$ 49	$ 50

Research and Development

Research and development costs, which are expensed as incurred, totaled $33 million in 2009, $32 million in 2008, and $35 million in 2007.

Advertising

Advertising production costs are expensed as incurred, while advertising media costs are expensed in the period in which the related advertising first takes place. Advertising expenses were $28 million in 2009, $8 million in 2008, and $13 million in 2007.

Stock-Based Compensation

We account for stock-based compensation under ASC 718-10 Compensation Stock Compensation, which requires that the fair value of all share-based payments to employees, including stock options, be recognized in financial statements. ASC 718-10 superseded prior authoritative guidance which required that the intrinsic-value method be used in determining compensation expense for share-based payments to employees. Employee compensation expense is based on the grant date fair value of awards, and is recognized in the Statement of Income over the period that recipients of awards are required to provide related service (normally the vesting period).

Income Taxes

We use the asset and liability method of accounting for income taxes. This method requires that deferred tax assets and liabilities be recorded to reflect the future tax consequences of temporary differences between the tax and financial statement basis of assets and liabilities. If we determine that it is more likely than not that a portion of deferred tax assets will not be realized in a future period, we reduce deferred tax assets by recording a valuation allowance. Estimates used to recognize deferred tax assets are subject to revision in subsequent periods based on new facts or circumstances.

We do not accrue for U.S. federal income taxes on unremitted earnings of foreign subsidiaries because we intend to reinvest those earnings in foreign operations. Unremitted earnings of foreign subsidiaries totaled $50 million at December 31, 2009, and $47 million at December 31, 2008. The unrecognized deferred tax liability associated with unremitted earnings totaled approximately $10 million at December 31, 2009, and $7 million at December 31, 2008.

Pactiv Corporation

Notes to Financial Statements (Continued)

Earnings Per Share

Basic earnings per share is computed by dividing income attributable to Pactiv common shareholders by the weighted-average number of shares outstanding. Diluted earnings per share is calculated in the same manner; however, adjustments are made to reflect the potential issuance of dilutive shares.

Risk Management

From time to time, we use derivative financial instruments to hedge our exposure to changes in foreign currency exchange rates, principally using foreign currency purchase and sale contracts with terms of less than 1 year. We do so to mitigate our exposure to exchange rate changes related to third-party trade receivables and accounts payable. Net gains or losses on such contracts are recognized in the statement of income as offsets to foreign currency exchange gains or losses on the underlying transactions. In the statement of cash flows, cash receipts and payments related to hedging contracts are classified in the same way as cash flows from the transactions being hedged. We had no open foreign currency contracts as of December 31, 2009.

Interest rate risk management is accomplished through the use of swaps. Interest rate swaps are booked at their fair value at each reporting date, with an equal offset recorded either in earnings or accumulated other comprehensive income depending on the designation (or lack thereof) of each swap as a hedging instrument.

From time to time, we employ commodity forward or other derivative contracts to hedge our exposure to adverse changes in the price of certain commodities used in our production processes. We do not use derivative financial instruments for speculative purposes. See Note 7 for additional information.

Changes in Accounting Principles

The Financial Accounting Standards Board (FASB) issued ASC 105-10, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, which was effective for fiscal years, and interim periods within such fiscal years, ending after September 15, 2009. ASC 105-10 establishes an authoritative United States GAAP superseding all pre-existing accounting standards and literature. ASC 105-10 did not have a material effect on our financial statements upon adoption or as of December 31, 2009. We have updated all references to specific authoritative guidance within our annual financial reporting to reflect the new Accounting Standards Codification structure.

The FASB issued ASC 820-10, Fair Value Measurements and Disclosures which was effective as of January 1, 2008. ASC 820-10 establishes a framework for measuring fair value by providing a standard definition of fair value as it applies to assets and liabilities. ASC 820-10, which does not require the use of any new fair value measurements, clarifies the application of other accounting pronouncements that require or permit fair value measurements. ASC 820-10 did not have a material effect on our financial statements upon adoption and as of December 31, 2009.

The FASB issued ASC 715-20, Compensation Retirement Benefits, of which we adopted the recognition and disclosure provisions on December 31, 2006. We recorded a charge to accumulated other comprehensive income of $41 million upon adoption. We adopted the measurement provisions of ASC 715-20-65 on January 1, 2008, using the transition method based on the data as of our September 30, 2007, measurement date. As a result, we increased retained earnings by $7 million after tax in 2008.

The FASB issued ASC 825-10, Financial Instruments which was effective January 1, 2008. ASC 825-10 permits entities to choose to measure many financial instruments and certain other items at fair value as of specified election dates. ASC 825-10 expands the use of fair value measurement, but does not eliminate disclosure requirements of other accounting standards, including ASC 820-10. ASC 825-10 did not impact our financial statements upon adoption and as of December 31, 2009. We did not choose to measure any financial instruments at fair value as permitted under the statement.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The FASB issued ASC 805-10, Business Combinations, which replaces prior authoritative guidance on business combinations, and was effective on a prospective basis for all business combinations that occur in fiscal years beginning after December 15, 2008, with the exception of accounting for valuation allowances on deferred taxes and acquired tax contingencies. ASC 805-10 retains the underlying concepts of the prior authoritative guidance in that all business combinations are still required to be accounted for at fair value using the acquisition method of accounting, but it changes the application of the acquisition method in a number of significant ways. In this regard, the pronouncement requires that (1) acquisition-related costs generally be expensed as incurred, (2) noncontrolling interests be recorded at fair value, (3) in-process research and development costs be recorded at fair value as an indefinite lived intangible asset, (4) restructuring costs associated with a business combination generally be expensed subsequent to the date of such a combination, and (5) changes in valuation allowances on deferred tax assets and income tax uncertainties after the acquisition date generally be recorded as income tax expense. ASC 805-10 amends ASC 740-10, Income Taxes such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of ASC 805-10 would also be subject to the provisions of ASC 805-10. ASC 805-10 was effective on January 1, 2009, and did not have a material impact on our financial statements upon adoption and as of December 31, 2009.

The FASB issued ASC 810-10-45, Consolidation which was effective for fiscal years, and interim periods within such fiscal years, beginning on or after December 15, 2008. ASC 810-10-45 requires that noncontrolling (minority) interests be recognized as equity (but separate from the parent s equity) in consolidated financial statements, and that net earnings related to noncontrolling interests be included in consolidated net income, but identified separately on the face of the income statement. ASC 810-10-45 also amends prior authoritative guidance, and expands disclosure requirements regarding the interests of parents and noncontrolling interests. ASC 810-10-45 was effective on January 1, 2009, and did not have a material impact on our financial statements upon adoption and as of December 31, 2009.

The FASB issued the disclosure requirements within ASC 815-10-65, Derivatives and Hedging which was effective for fiscal years, and interim periods within such fiscal years, beginning on or after November 15, 2008. ASC 815-10 requires (1) enhanced disclosures about an entity s derivative and hedging activities, specifically how and why an entity uses derivative instruments, (2) how derivative instruments and related hedged items are accounted for under ASC 815-10 and its related interpretations, and (3) how derivative instruments and related hedged items affect an entity s financial position, financial performance, and cash flows. ASC 815-10 was effective on January 1, 2009, and did not have a material impact on our financial statements upon adoption and as of December 31, 2009.

The FASB issued the disclosure requirements within ASC 825-10-65, Financial Instruments which was effective for interim reporting periods ending after June 15, 2009. ASC 825-10-65 amends prior authoritative guidance to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. ASC 825-10-65 also amends ASC 270-10, Interim Reporting, to require those disclosures in summarized financial information at interim reporting periods. ASC 825-10-65 was effective for our June 30, 2009 interim reporting, and did not have a material effect on our financial statements upon adoption and as of December 31, 2009.

The FASB issued ASC 855-10, Subsequent Events which was effective for fiscal years, and interim periods within such fiscal years, ending after June 15, 2009. ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. ASC 855-10 was effective for our June 30, 2009 interim reporting, and did not have a material effect on our financial statements upon adoption and as of December 31, 2009.

The FASB issued the disclosure requirements within ASC 715-20-65 Compensation Retirement Benefits which was effective for fiscal years ending after December 15, 2009. ASC 715-20-65 requires

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

enhanced disclosures about plan assets in an employer s defined benefit pension or other postretirement plan, including (1) information on investment policies and strategies, (2) the fair value of each major category of plan assets, (3) the inputs and valuation techniques used to measure the fair value of plan assets, (4) the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period, and (5) significant concentrations of risk within plan assets. ASC 715-20-65 was effective for our December 31, 2009, reporting, and did not have a material impact on our financial statements upon adoption.

The FASB issued Statement of Financial Accounting Standards (SFAS) No. 166, Accounting for Transfers of Financial Assets, which is effective for interim and annual periods beginning after November 15, 2009.

SFAS No. 166, which is not yet included in the Codification, requires additional information about transfers of financial assets and where companies have continuing exposure to the risk related to transferred financial assets. SFAS No. 166 eliminates the concept of a qualifying special purpose entity, changes the requirements for derecognizing financial assets, and requires additional disclosures. We are currently reviewing SFAS No. 166, and evaluating the impact of its adoption on our financial statements.

Estimates

Financial statement presentation requires management to make estimates and assumptions that affect reported amounts for assets, liabilities, sales, and expenses. Actual results may differ from such estimates.

Note 3. Restructuring and Other

In 2008, we implemented a cost reduction program that included the consolidation of two small facilities, asset rationalizations, and headcount reductions. The program is essentially complete with the exception of a small idle plant held for sale. The accrued restructuring balance of $1 million as of December 31, 2009, and $2 million as of December 31, 2008, is for remaining severance payments. Cash payments related to restructuring and other were $1 million pretax for the year ended December 31, 2009. In 2008, we recorded a charge of approximately $10 million after tax, or $0.08 per share. Cash payments related to restructuring and other charges were $2 million for the year ended December 31, 2008.

	Severance	Asset Write-Offs	Other(1)	Total
		(In millions)		
Restructuring costs for the year ended December 31, 2008				
Consumer Products	$ 2	$ 7	$ (4)	$ 5
Foodservice/Food Packaging	6	2	2	10
Other	1			1
Total	$ 9	$ 9	$ (2)	$ 16

(1) Consists principally of a gain on the sale of one of our facilities and asset removal and transfer costs.

Note 4. Business Combinations

On January 5, 2009, we purchased the polypropylene cup business of WinCup for $20 million. This business operates one manufacturing facility in North Carolina. The results of this business have been included in the consolidated financial statements as of that date.

The total cost of the acquisition was allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill and other intangible assets recorded in connection with the acquisition totaled $1 million and $3 million, respectively, and all of the goodwill is expected to be deductible for tax

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

purposes. Recorded intangible assets pertain to customer relationships and are being amortized over a 15-year period.

Appraisals of the fair-market value and physical counts of the assets acquired during the third quarter of 2009 resulted in goodwill being decreased by $1 million, and property, plant, and equipment being increased by the same amount.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed as of the acquisition date.

	(In millions)	
Current assets	$	4
Property, plant, and equipment		13
Intangible assets		3
Goodwill		1
Total assets acquired		21
Current liabilities		1
Total liabilities assumed		1
Net assets acquired	$	20

We acquired 100% of the stock of Prairie Packaging, Inc. (Prairie) on June 5, 2007. The results of Prairie s operations have been included in the consolidated financial statements as of that date.

Note 5. Discontinued Operations

On October 12, 2005, we sold substantially all of our protective and flexible packaging businesses. The results of the sold businesses, as well as costs and charges associated with the transaction, are classified as discontinued operations.

In 2009, we recorded $15 million of income from discontinued operations primarily related to the expiration of the statute of limitations on the 2005 tax year for tax liabilities which had been recorded in conjunction with divested businesses. In 2008, we recorded expense from discontinued operations of $4 million, which was attributed to taxes associated with the disposition of a business. Liabilities related to discontinued operations, which included obligations related to income taxes, certain royalty payments, and the costs of closing a facility in Europe, were as follows:

	At December 31	
	2009	2008
	(In millions)	
Current liabilities	$	$
Noncurrent liabilities	11	30

Total liabilities related to discontinued operations	$ 11	$ 30

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Note 6. Long-Term Debt, Short-Term Debt, and Financing Arrangements

Long-Term Debt

	At December 31 2009	2008
	(In millions)	
Notes due 2010, effective interest rate of 0.4%	$	$ 5
Borrowings under a 5-year, $750 million revolving credit facility		70
Notes due 2012, effective interest rate of 5.7%	250	250
Notes due 2017, effective interest rate of 8.1%	300	300
Notes due 2018, effective interest rate of 6.3%, net of $1 million of unamortized discount	249	249
Notes due 2025, effective interest rate of 7.9%, net of $1 million of unamortized discount	275	275
Notes due 2027, effective interest rate of 8.4%, net of $4 million of unamortized discount	196	196
Total long-term debt	$ 1,270	$ 1,345

Short-Term Debt

	At December 31 2009	2008
	(In millions)	
Current maturities of long-term debt	$ 5	$

At December 31, 2009, the aggregate maturities of debt outstanding were $5 million due in 2010, $250 million due in 2012, and $1.026 billion thereafter.

We were in full compliance with financial and other covenants in our various credit agreements at December 31, 2009.

There have been no stated events of default which would permit the lenders to accelerate the debt if not cured within applicable grace periods, or any cross default provisions in our debt agreements. We had no short-term borrowings as of December 31, 2009.

In 1999, our former parent, Tenneco realigned certain of its debt in preparation for the spin-off of Pactiv. In conjunction with this realignment, we entered into an interest rate swap to hedge our exposure to interest rate movement. We settled this swap in November 1999 at a loss of $43 million. The loss on the swap is being recognized as additional interest expense over the life of the underlying notes. At December 31, 2009, the unamortized balance was $35 million.

Note 7. Financial Instruments

Asset and Liability Instruments

At December 31, 2009, and 2008, the fair value of cash and temporary cash investments, short- and long-term receivables, accounts payable, and short-term debt were the same as, or not materially different from, the amount recorded for these assets and liabilities. The fair value of long-term debt was approximately $1.5 billion at December 31, 2009, and approximately $1.4 billion at December 31, 2008. The recorded amount was $1.3 billion at December 31, 2009, and at December 31, 2008. The fair value of long-term debt was based on quoted market prices for our debt instruments.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Instruments with Off-Balance Sheet Risk (Including Derivatives)

We use derivative instruments, principally swaps, forward contracts, and options, to manage our exposure to movements in foreign currency values, interest rates, and commodity prices.

Cash Flow Hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income (OCI) and reclassified into earnings in the same period or periods in which the hedged transaction affects earnings. Financial instruments designated as cash flow hedges are assessed both at inception and quarterly thereafter to ensure they are effective in offsetting changes in the cash flows of the related underlying exposures. The fair value of the hedge instruments are reclassified from OCI to earnings if the hedge ceases to be highly effective or if the hedged transaction is no longer probable.

Foreign Currency

From time to time, we use derivative financial instruments to hedge our exposure to changes in foreign currency exchange rates, principally using foreign currency purchase and sale contracts with terms of less than one year. We do so to mitigate our exposure to exchange rate changes related to third-party trade receivables and accounts payable. Net gains or losses on such contracts are recognized in the statement of income as offsets to foreign currency exchange gains or losses on the underlying transactions. In the statement of cash flows, cash receipts and payments related to hedging contracts are classified in the same way as cash flows from the transactions being hedged. We had no open foreign currency contracts as of December 31, 2009.

Interest Rates

We entered into interest rate swap agreements in connection with the acquisition of Prairie. The agreements were terminated on June 20, 2007, resulting in a gain of $9 million. This gain is being recorded as a reduction of interest expense over the average life of the underlying debt. Amounts recognized in earnings related to our hedging transactions were $1 million for the year ended December 31, 2009, and December 31, 2008.

Commodity

During the fourth quarter of 2009, we entered into natural gas purchase agreements with third parties, hedging a portion of the first half of 2010 purchases of natural gas used in the production processes at certain of our plants. These purchase agreements are marked to market, with the resulting gains or losses recognized in earnings when hedged transactions are recorded. The mark-to-market adjustments at December 31, 2009, were immaterial.

To minimize volatility in our margins due to large fluctuations in the price of commodities, in the second quarter of 2009 we entered into swap contracts to manage risks associated with market fluctuations in resin prices. These contracts were designated as cash flow hedges of forecasted commodity purchases. All monthly swap contracts entered into in the third quarter of 2009 have expired. There were no contracts outstanding as of December 31, 2009, and no gains are expected to be reclassified to earnings in the first quarter of 2010.

Fair Value Measurements

Financial assets and liabilities that are recorded at fair value consist of derivative contracts that are used to hedge exposures to interest rate, commodity, and currency risks. ASC 820-10-35 sets out a fair value hierarchy that groups fair value measurement inputs into three classifications: Level 1, Level 2, or Level 3. Level 1 inputs are quoted prices in an active market for identical assets or liabilities. Level 2 inputs are inputs

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. All of our fair value measurements for derivative contracts use Level 2 inputs.

There were no outstanding derivative instruments recorded in the consolidated balance sheet as of December 31, 2009, and as of December 31, 2008.

The following table indicates the amounts recognized in OCI for those derivatives designated as cash flow hedges for the years ended December 31, 2009, and 2008.

	Gain or (Loss) Recognized in OCI (Effective Portion) 2009	2008	Location of Gain or (Loss) Reclassified from OCI into Income (Effective Portion) (In millions)	(Gain) or Loss Reclassified from OCI into Income (Effective Portion) 2009	2008
Commodity Contracts	$	$	Cost of Sales	$ (2)	$
Interest Rate Contracts	$	$	Interest Expense	$ (1)	$ (1)

There were no transactions that ceased to qualify as a cash flow hedge in the years ended December 31, 2009, or 2008.

Note 8. Goodwill and Intangible Assets

Changes in the carrying value of goodwill during 2009 and 2008 by reporting segment are shown in the following table.

	Consumer Products	Foodservice/ Food Packaging (In millions)	Total
Balance, December 31, 2007(1)	$ 288	$ 839	$ 1,127
Goodwill adjustment	3	13	16
Foreign currency translation adjustment		(15)	(15)
Balance, December 31, 2008(1)	$ 291	$ 837	$ 1,128
Goodwill additions		1	1
Goodwill adjustment		(1)	(1)
Foreign currency translation adjustment		7	7

Balance, December 31, 2009	$ 291	$ 844	$ 1,135

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Goodwill and other intangible assets recorded in connection with the WinCup acquisition totaled $1 million and $3 million, respectively. Recorded intangible assets pertain to customer relationships and are being amortized over a 15-year period.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Details of intangible assets are shown in the following table.

	December 31, 2009		December 31, 2008	
	Carrying Value	Accumulated Amortization	Carrying Value	Accumulated Amortization
	(In millions)			
Intangible assets subject to amortization				
Patents	$ 87	$ 74	$ 87	$ 69
Customer relationships	209	36	206	21
Other	145	88	145	81
	441	198	438	171
Intangible assets not subject to amortization (primarily trademarks)	129		129	
	$ 570	$ 198	$ 567	$ 171

The weighted-average amortization period used for patents and other intangible assets subject to amortization is 15 years and 18 years, respectively. Amortization of intangible assets was $26 million for the year ended December 31, 2009. Amortization expense is estimated to total $25 million in 2010, $24 million in 2011, $23 million in 2012, $19 million in 2013, and $19 million in 2014.

Note 9. Property, Plant, and Equipment, Net

	December 31, 2009	December 31, 2008
	(In millions)	
Original cost		
Land, buildings, and improvements	$ 667	$ 654
Machinery and equipment	1,929	1,808
Other, including construction in progress	96	125
	$ 2,692	$ 2,587
Less accumulated depreciation and amortization	(1,520)	(1,378)
Net property, plant, and equipment	$ 1,172	$ 1,209

Capitalized interest was $1 million in 2009, and $2 million in both 2008 and 2007.

Note 10. Income Taxes

Details of income (loss) from continuing operations before income taxes are shown in the following table.

	2009	2008(1)	2007(1)
		(In millions)	
Income (loss) from continuing operations before income taxes			
U.S. operations	$ 458	$ 321	$ 357
Foreign operations	28	19	21
Total	$ 486	$ 340	$ 378

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Shown below are details of income tax expense for continuing operations.

	2009	2008(1)	2007(1)
		(In millions)	
Current			
Federal	$ (35)	$ 10	$ 71
State and local	(2)	(4)	14
Foreign	7	1	12
	(30)	7	97
Deferred			
Federal	186	101	31
State and local	19	7	3
Foreign	2	4	2
	207	112	36
Total income tax expense	$ 177	$ 119	$ 133

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

A reconciliation of the difference between the U.S. statutory federal income tax rate and our effective income tax rate is shown in the following table.

	2009	2008(1)	2007(1)
U.S. statutory federal income tax rate	35.0%	35.0%	35.0%
Increase (decrease) in income tax rate			
Foreign income taxed at various rates	(0.2)	(0.5)	0.5
State and local taxes on income, net of federal income tax benefit	2.3	(0.3)	3.0
Domestic production deduction	0.0	(0.1)	(1.3)
Research and experimentation credit	(0.2)	(0.1)	(0.3)
Income tax reserve increase	0.5	2.8	1.4
Income tax reserve decrease	(0.9)	(1.8)	(2.2)
Other	(0.1)	0.1	(0.8)
Effective income tax rate	36.4%	35.1%	35.5%

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The components of our net deferred tax assets and liabilities are summarized in the following table.

	December 31 2009	2008(1)
	(In millions)	
Deferred tax assets		
Tax loss carryforwards		
Federal	$ 42	$ 15
State and local	3	
Foreign	12	18
Tax Credits	15	5
Pensions(2)	240	412
Postretirement benefits	37	38
Benefits of ASC 740-10	11	11
Other items	29	14
Valuation allowance(3)	(35)	(33)
Total deferred tax assets	$ 354	$ 480
Deferred tax liabilities		
Property and equipment	362	324
Total deferred tax liabilities	362	324
Net deferred tax (assets) liabilities	$ 8	$ (156)

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

(2) Decrease mainly due to realized tax benefits from pension contributions.

(3) Related to federal and foreign tax loss and tax credit carryforwards.

We had federal net operating loss carryforwards of $77 million as of December 31, 2009, which will expire in 2030 and federal capital loss carryforwards of $44 million as of December 31, 2009, which will expire in 2011. State net operating loss carryforwards of $3 million at December 31, 2009, will expire at various dates from 2015 to 2030. Foreign net operating loss carryforwards at December 31, 2009, totaled $47 million, and have an unlimited life.

We had federal tax credit carryforwards of $5 million, as of December 31, 2009, which will expire at various dates from 2017 to 2030. State tax credit carryforwards at December 31, 2009, totaled $13 million ($8 million, net of the federal benefit of state tax), of which $10 million will expire at various dates from 2011 to 2024, with the balance having an unlimited life. Foreign tax credit carryforwards of $2 million at December 31, 2009, will expire in 2019 and 2020.

The FASB issued certain provisions within ASC 740-10 Income Taxes which clarifies the application of prior authoritative guidance and was effective as of January 1, 2007. ASC 740-10 establishes a threshold condition that a tax position must meet for any part of the benefit of such a position to be recognized in the financial statements. In addition, ASC 740-10 provides guidance regarding measurement, derecognition, classification, and disclosure of tax positions.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Changes in the balance of unrecognized income tax benefits are detailed below.

	2009	2008
	(In millions)	
Balance at January 31	$ 57	$ 53
Increases related to prior year tax positions	20	12
Decreases related to prior year tax positions	(4)	(1)
Increases pertaining to current year tax positions	1	5
Settlements	(2)	(11)
Expiration of statute of limitations	(14)	(1)
Balance at December 31	$ 58	$ 57

The total amount of unrecognized income tax benefits that, if recognized, would favorably impact our effective tax rate for continuing operations in future periods was $50 million as of December 31, 2009. As of December 31, 2009, it is reasonably possible that the balance of unrecognized income tax benefits may increase or decrease during the following twelve months. However, it is not expected that any such changes would significantly affect, individually or in total, our operating results or financial condition.

It is our continuing practice to record accruals for interest and penalties related to income tax matters in income tax expense. Such accruals totaled $11 million as of December 31, 2009, and $10 million as of December 31, 2008. Expense recorded through December 31, 2009, for interest and penalties related to continuing operations was $3 million.

U.S. federal income tax returns filed for the years 2006 through 2008 are open for examination by the Internal Revenue Service. Various state, local, and foreign tax returns filed for the years 2002 through 2008 are open for examination by tax authorities in those jurisdictions.

Included in unrecognized income tax benefits at December 31, 2009, was $1 million related to discontinued operations, all of which, if recognized, would impact income from discontinued operations in future periods. In 2009, an income tax benefit of $15 million was recorded, which included the reversal of $2 million of interest and penalties as a result of the expiration of the 2005 tax year statute of limitations.

In connection with the adoption of ASC 718-10 Compensation Stock Compensation, we elected to use the simplified method in calculating our additional paid-in capital pool upon adoption of ASC 718-10, as described in prior authoritative guidance. ASC 718-10 requires that tax deductions for compensation costs in excess of amounts recognized for accounting purposes be reported as cash flow from financing activities, rather than as cash flow from operating activities. Such excess amounts were $1 million in 2009, immaterial in 2008, and $23 million in 2007.

Note 11. Common Stock

We have 350 million shares of common stock ($0.01 par value) authorized, of which 132,334,417 shares were issued and outstanding as of December 31, 2009.

Reserves

Reserved shares at December 31, 2009, were as follows:

	(In thousands)
Thrift plans	860
2002 incentive compensation plan	15,151
Total	16,011

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Stock Plans

2002 Incentive Compensation Plan In November 1999, we initiated a stock ownership plan that permits the granting of a variety of incentives, including common stock, restricted stock, performance shares, stock appreciation rights, and stock options, to directors, officers, and employees. In May 2002, the 1999 plan was succeeded by the 2002 plan, and all balances under the 1999 plan were transferred to the new plan, which remains in effect until amended or terminated. Under the 2002 plan, up to 27 million shares of common stock can be issued (including shares issued under the prior plan), of which 17 million were issued or granted as of December 31, 2009.

Restricted stock, performance share, and stock option awards generally require that, among other things, grantees remain with the company for certain periods of time. Performance shares granted under the plan vest upon the attainment of specified performance goals in the 3 years following the date of grant.

Changes in performance share balances were as follows:

	Performance Shares
Outstanding, December 31, 2007	2,058,968
Granted	655,850
Canceled	(128,089)
Paid	(867,663)
Outstanding, December 31, 2008	1,719,066
Granted	606,325
Canceled	(152,692)
Paid	(604,410)
Outstanding, December 31, 2009	1,568,289

Additional information related to performance shares is as follows:

	Weighted-Average Grant Date Fair Value per Share	Pretax Compensation Expense	Associated Tax Benefit	Impact on Net Income
	(In millions, except per share data)			
2009	$ 20.10	$ 16	$ 6	$ 10
2008	28.31	16	6	10

2007	32.64	13	5	8

There was $20 million after tax of unamortized performance share expense at December 31, 2009, of which $8 million will be charged against net income in 2010 and $12 million in 2011.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Summarized below are changes in stock option balances.

	Shares Under Option	Weighted-Average Exercise Price
Outstanding, January 1, 2008	5,407,096	$ 22.69
Exercised	(559,703)	14.52
Canceled	(117,096)	32.81
Outstanding, December 31,2008	4,730,297	23.41
Exercisable, December 31,2008	4,730,297	23.41
Outstanding, January 1, 2009	4,730,297	23.41
Exercised	(429,190)	13.87
Canceled	(683,824)	37.88
Outstanding, December 31,2009	3,617,283	21.80
Exercisable, December 31,2009	3,617,283	21.80

Summarized below is information regarding stock options outstanding and exercisable at December 31, 2009.

	Outstanding Options		
Range of Exercise Price	Number	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
$7 to $12	153,691	0.8	$ 11.72
$13 to $21	2,040,042	2.9	18.51
$22 to $29	983,839	4.7	23.98
$30 to $37	263,671	8.0	32.86
$38 to $45	176,040	6.3	40.00
	3,617,283		

See Note 2 for additional information regarding stock-based compensation accounting.

Employee 401(k) Plans We have qualified 401(k) plans for employees, under which eligible participants may make contributions equal to a percentage of their annual salary. We matched a portion of such contributions with Pactiv common stock until February 2006. Effective March 2006, all matching contributions are in cash. The company or plan participants may contribute additional amounts in accordance with the plans terms. We incurred 401(k) plan expense of $10 million in 2009, 2008, and 2007.

Rabbi Trust In November 1999, we established a rabbi trust and reserved 3,200,000 shares of Pactiv common stock for the trust. These shares were issued to the trust in January 2000. This trust is designed to assure the payment of deferred compensation and supplemental pension benefits. These shares are not considered outstanding for purposes of financial reporting.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Earnings Per Share

Earnings from continuing operations per share of common stock outstanding were computed as follows:

	2009	2008(1)	2007(1)
	(In millions, except share and per share data)		
Basic earnings per share			
Income from continuing operations attributable to Pactiv	$ 308	$ 220	$ 243
Weighted-average number of shares of common stock outstanding	131,967,907	130,925,861	130,912,229
Basic earnings from continuing operations per share attributable to Pactiv	$ 2.33	$ 1.68	$ 1.85
Diluted earnings per share			
Income from continuing operations attributable to Pactiv	$ 308	$ 220	$ 243
Weighted-average number of shares of common stock outstanding	131,967,907	130,925,861	130,912,229
Effect of dilutive securities			
Stock options	328,072	648,682	1,149,964
Performance shares	1,175,068	897,216	805,085
Restricted shares		1,699	2,277
Weighted-average number of shares of common stock outstanding, including dilutive securities	133,471,047	132,473,458	132,869,555
Diluted earnings from continuing operations per share attributable to Pactiv	$ 2.31	$ 1.66	$ 1.83

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

The following table summarizes annual repurchases of our common stock for 2007 through 2009.

	Number of Shares	Average Price Paid per Share	Total Outlay
		(In millions)	

2009		$	$
2008	75,218	$ 26.38	$ 2
2007	3,374,821	$ 32.14	$ 108

Note 12. Preferred Stock

Pactiv has 50 million shares of preferred stock ($0.01 par value) authorized, none of which was issued at December 31, 2009.

Note 13. Pension Plans and Other Postretirement Benefits

We have pension plans that cover the majority of our employees. Benefits are based on years of service and, for most salaried employees, final average compensation. Assets of our U.S. qualified plan consist principally of equity and fixed income securities.

We have postretirement health care and life insurance plans that cover certain of our salaried and hourly employees who retire in accordance with the various provisions of such plans. Benefits may be subject to

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

deductibles, co-payments, and other limitations. These postretirement plans are not funded, and we reserve the right to change them.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was enacted. Starting in 2006, this act expanded Medicare coverage, primarily by adding a prescription drug benefit for Medicare-eligible participants. The act provides employers currently sponsoring prescription drug programs for Medicare-eligible participants with a range of options to coordinate with the new government sponsored program to potentially reduce employers costs. These options include supplementing the government program on a secondary payor basis, or accepting a direct subsidy from the government to support a portion of the costs of employers programs.

Our plans currently provide prescription drug benefits that are coordinated with the related Medicare benefits. As a result, subsidies from Medicare for prescription drug benefits will average approximately $1.1 million per year.

Effective December 31, 2006, we adopted the recognition and disclosure provisions of ASC 715-10. See Note 2.

During 2009 we contributed $550 million pretax to the plan and plan assets earned a return of approximately 26%. As of December 31, 2009, our U.S. pension plan was 94% funded on an Employee Retirement Income Security Act (ERISA) basis, which determines the minimum funding requirements for the plan. As long as our funded ratio is above 60%, there is no meaningful impact on us or to the plan. We do not expect to make additional sizeable contributions to the plan for the foreseeable future.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Financial data pertaining to our pension and postretirement benefit plans is shown on the following tables.

	Pension Plans		Postretirement Plans	
	2009	2008	2009	2008
	(In millions)			
Changes in projected benefit obligations(1)				
Benefit obligations at beginning of year	$ 3,707	$ 3,907	$ 73	$ 85
Currency rate conversion	1	(5)		
Service cost of benefits earned	15	20	1	1
Interest cost of benefit obligations	240	300	4	7
Actuarial (gains) losses	403	(166)	(5)	(13)
Benefits paid	(282)	(350)	(11)	(15)
Participant contributions			5	7
Plan amendments		1		
Medicare Part D reimbursement			1	1
Projected benefit obligations at December 31	$ 4,084	$ 3,707	$ 68	$ 73
Changes in fair value of plan assets(1)				
Fair value at beginning of year	$ 2,506	$ 3,920	$	$
Currency rate conversion	2	(6)		
Actual return on plan assets	665	(1,069)		
Employer contributions	556	11	6	8
Participant contributions			5	7
Benefits paid	(282)	(350)	(11)	(15)
Fair value of plan assets at December 31	$ 3,447	$ 2,506	$	$
Development of amounts recognized in the statement of financial position				
Funded status at December 31	$ (637)	$ (1,201)	$ (68)	$ (73)
Amounts recognized in the statement of financial position				
Noncurrent assets	$ 2	$ 5	$	$
Current liabilities	(8)	(8)	(6)	(7)
Noncurrent liabilities	(631)	(1,198)	(62)	(66)
Net asset (liability) at December 31	$ (637)	$ (1,201)	$ (68)	$ (73)
Pretax amounts recognized in accumulated other comprehensive income (loss) at December 31				
Net actuarial gains (losses)	$ (2,751)	$ (2,722)	$ 2	$ (2)

Prior service credit costs	2	2	(1)	(1)
	$ (2,749)	$ (2,720)	$ 1	$ (3)
Other changes in plan assets and projected benefit obligations recognized in other comprehensive income (loss) during year				
Net actuarial gains (losses)	$ (79)		$ 5	
Amortization of net actuarial gains	51			
Prior service costs				
Amortization of prior service costs			(1)	
Total other comprehensive income (loss)	$ (28)		$ 4	

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

	Pension Plans	Postretirement Plans
Effect of amortization of net actuarial losses and prior service credits on 2010 net periodic benefit income (expense)		
Net actuarial gains (losses)	$ 75	$
Prior service costs		
	$ 75	$

(1) For 2008, the change in benefit obligation and plan assets are for the period beginning October 1, 2007 and ending December 31, 2008, including amounts recorded in the statement of income and in other comprehensive income in 2008.

Benefit payments expected to be made under the pension and postretirement benefit plans over the next 10 years are summarized in the following table.

	Pension Plans	Postretirement Plans, Net of Expected Medicare Subsidy
	(In millions)	
2010	$ 297	$ 5
2011	296	5
2012	300	5
2013	304	4
2014	318	4
2015-2019	1,522	23

We expect to contribute $15 million to our pension and post retirement plans in 2010.

The impact of pension plans on pretax income from continuing operations was as follows:

	2009	2008	2007
		(In millions)	
Components of net periodic benefit income (expense)			
Service cost of benefits earned	$ (15)	$ (16)	$ (18)

Interest cost of benefit obligations	(240)	(240)	(228)
Expected return on plan assets	342	349	344
Amortization of:			
Unrecognized net actuarial losses	(50)	(44)	(47)
Unrecognized prior service costs			
Additional cost due to ASC 715-20(1)	(1)		(1)
Total net periodic benefit income (expense)	$ 36	$ 49	$ 50

(1) ASC 715-20, Compensation Retirement Benefits, Defined Benefit Plans.

In 2009, our nonqualified and foreign plans had net periodic benefit expense of $12 million.

Pactiv Corporation

Notes to Financial Statements (Continued)

Pension plan actuarial assumptions used to determine projected benefit obligations are as follows:

	December 31, 2009	December 31, 2008	September 30, 2007
Actuarial assumptions			
Discount rate	5.75%	6.74%	6.39%
Compensation increases	4.00	4.00	4.00
Return on assets	9.00	9.00	9.00

The net periodic benefit income for 2009 was determined using the assumptions listed for 2008.

For all of our worldwide pension plans, accumulated benefit obligations totaled $4.045 billion in 2009 and $3.677 billion in 2008.

Pension plans with accumulated benefit obligations in excess of plan assets were as follows:

	December 31, 2009	December 31, 2008
	(In millions)	
Projected benefit obligations	$ 4,067	$ 3,695
Accumulated benefit obligations	4,029	3,665
Fair value of plan assets	3,428	2,490

The discount rate assumption for our U.S. qualified plan is based on the composite yield of a portfolio of high quality corporate bonds constructed with durations to match the plan s future benefit obligations. A one-percentage-point change in the discount rate impacts the projected benefit obligation by approximately $360 million.

Plan Assets

In developing the assumption for the return on pension plan assets, we receive independent input on asset allocation strategies, projections regarding long-term rates of return on various asset classes, risk free rates of return, and long-term inflation rates. Since 1976, our U.S. qualified pension plan s annual rate of return on assets has averaged 10%. At December 31, 2009, the percentage of pension plan assets invested in equity and fixed income securities was approximately 72% and 28%, respectively. The investment policy of the pension plan is to achieve a rate of return sufficient to meet the immediate and long-term benefit obligations of the plan. The investment strategy seeks to maximize long-term return within an acceptable level of risk by balancing investments in assets with higher expected rates of return such as equity securities and assets with lower expected volatility such as fixed-income securities. Risk tolerances are based on careful consideration of plan liabilities, plan funded status, and the company s financial condition. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies. The plan generally maintains an asset allocation of approximately 70% in equities and 30% in fixed income securities. Equity investments include U.S. and non-U.S. stocks, as well as growth, value, and small and large capitalization stocks. Other equity like asset classes, such as private equity investments, are used to enhance long-term returns, while increasing portfolio diversification. Fixed-income investments include corporate bonds, government bonds, asset backed securities (including mortgages), and cash. After considering all of these factors, we concluded that a 9% rate of return on assets assumption for our U.S. plan was appropriate for 2009 and 2008.

The majority of the pension plan assets are invested in equities of which a substantial portion is invested in U.S. equities. A broad-based decline in equity values around the world or a general decline in U.S. equity values would have a significant adverse effect on the pension plan. The plan also has a large holding of bonds that pay a fixed rate of interest. A material increase in interest rates would reduce the value these bonds.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The fair values of pension plan assets at December 31, 2009, by asset category are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Fair Value Measurements at December 31, 2009 (In millions)		
Cash and cash equivalents	$ 92	$	$ 92	$
Equity securities:				
Common collective funds(a)	664		664	
International companies	31	31		
US large cap companies	1,251	1,251		
US mid cap companies	360	360		
US small cap companies	122	122		
Fixed income securities:				
Common collective funds	4		4	
Corporate bonds	61		61	
Corporate bonds (S&P rating of A or higher)	325		325	
Corporate bonds (S&P rating of lower than A)	328		328	
Government securities	151		151	
Mortgage backed securities	7		7	
Other fixed income(b)	20		20	
Other investments				
Common collective funds	1		1	
Private equity funds(c)	30			30
Total	$ 3,447	$ 1,764	$ 1,653	$ 30

(a) This asset category includes funds that invest in international companies including companies from countries classified as Emerging Markets by MSCI.

(b) This asset category includes municipal bonds.

(c) This asset category includes venture capital funds.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The change in the fair value of pension plan assets using Level 3 or significant unobservable inputs during the year ended December 31, 2009, is detailed in the table below.

	Fair Value Measurements Using Significant Unobservable Inputs Private Equity Funds	Total
	(In millions)	
Beginning balance at December 31, 2008	$ 36	$ 36
Actual return on plan assets:		
Relating to assets still held at the reporting date	(9)	(9)
Relating to assets sold during the period	(1)	(1)
Purchases, sales, and settlements	4	4
Transfers in and/or out of Level 3		
Ending balance at December 31, 2009	$ 30	$ 30

We use a market-related method for calculating the value of plan assets. This method recognizes the difference between actual and expected returns on plan assets over time. The market-related value of plan assets (MRVA) as of January 1, 2010, is $4.191 billion. Each year, the expected gain on plan assets (MRVA multiplied by the expected rate of return) is compared with the change in fair market value of assets (adjusted for pension benefit payments and expenses) during the year to determine the asset gain or loss for the year just ended.

The asset gain or loss for the year just ended is amortized over five years to the pool of amortizable actuarial gains or losses accumulated from prior years. Also added to the amortizable pool are all other actuarial gains or losses, which have occurred during the year just ended. The pool is amortized using the corridor approach in ASC 715-20. The corridor amount is 10% of the greater of the MRVA or the pension benefit obligation. The amount of actuarial gains or losses to be amortized as a component of pension income is the amount of the pool in excess of the corridor amount. The accumulated pool of amortizable losses as of January 1, 2010, was $1.543 billion. The amortization period is determined by the weighted-average of the life expectancy of inactive plan participants and the remaining service expectancy of active plan participants. As of January 1, 2010, this weighted average is 21.2 years.

The impact of postretirement benefit plans, other than pensions, on pretax income from continuing operations was as follows:

	2009	2008	2007
		(In millions)	

Service cost of benefits earned	$ 1	$ 1	$ 1
Interest cost of benefit obligations	4	5	5
Prior service costs	(1)	(1)	(1)
Losses		1	2
Total postretirement benefit plan costs	$ 4	$ 6	$ 7

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Actuarial assumptions used to determine postretirement benefit obligations were as follows:

	December 31, 2009	December 31, 2008	September 30, 2007
Actuarial assumptions			
Health care cost inflation(1)			
Prior to age 65	8.5%	8.5%	8.6%
After age 65	8.0	8.0	9.8
Discount rate	5.75	6.74	6.39

(1) Assumed to decline to 5% in 2017.

A one percentage-point change in assumed health-care cost inflation would have the following effects:

	1% Increase	1% Decrease
	(In millions)	
Effect on total service and interest costs	$	$
Effect on postretirement benefit obligations	2	(2)

We contributed $6 million and $8 million in 2009 and 2008, respectively, to fund postretirement medical plan obligations. We expect to contribute $6 million to fund our postretirement medical plan obligations in 2010.

Note 14. Segment and Geographic Area Information

Our three reporting segments are Consumer Products, Foodservice/Food Packaging, and Other. See Note 1 for additional details.

Products are transferred between segments and among geographic areas, as nearly as possible, using market value. Wal-Mart Stores, Inc., accounted for approximately 21% of our consolidated sales in 2009 and 2008. These sales were reflected primarily in the results of the Consumer Products segment and, to a lesser extent, in the results of the Foodservice/Food Packaging segment. Our backlog of orders is not material.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The following table sets forth certain segment information.

	Consumer Products	Foodservice/ Food Packaging	Other	Total
		(In millions)		
For the year ended December 31, 2009				
Sales to external customers	$ 1,285	$ 2,075	$	$ 3,360
Depreciation and amortization	63	114	7	184
Operating income (loss)	297	300	(18)(b)	579
Total assets	1,270	2,122	182	3,574
Capital expenditures related to continuing operations	13	92	6	111
Noncash items other than depreciation and amortization			(20)(c)	(20)
For the year ended December 31, 2008				
Sales to external customers	$ 1,342	$ 2,225	$	$ 3,567
Depreciation and amortization	63	112	7	182
Operating income (loss)(d)	207	234	3(b)	444(a)
Total assets(d)	1,326	2,102	333	3,761
Capital expenditures related to continuing operations	25	105	6	136
Noncash items other than depreciation and amortization			(33)(c)	(33)
For the year ended December 31, 2007				
Sales to external customers	$ 1,221	$ 2,032	$	$ 3,253
Depreciation and amortization	62	97	7	166
Operating income (loss)(d)	226	245	(2)(b)	469
Total assets(d)	1,365	2,159	274	3,798
Capital expenditures related to continuing operations	16	129	6	151
Noncash items other than depreciation and amortization			(41)(c)	(41)

(a) Included restructuring and other charges of $16 million in 2008 ($5 million for Consumer Products, $10 million for Foodservice/Food Packaging, and $1 million for Other).

(b) Included pension plan income and unallocated corporate expense.

(c) Included pension plan income and stock-based compensation expense.

(d) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

The following table sets forth certain geographic area information.

	Geographic Area		
	United States	Foreign(1) (In millions)	Total
At December 31, 2009, and for the year then ended			
Sales to external customers(2)	$ 3,054	$ 307	$ 3,360
Long-lived assets(3)	1,131	103	1,234
Total assets	3,266	307	3,574
At December 31, 2008, and for the year then ended			
Sales to external customers(2)	$ 3,240	$ 327	$ 3,567
Long-lived assets(3)	1,172	107	1,279
Total assets(4)	3,470	292	3,761
At December 31, 2007, and for the year then ended			
Sales to external customers(2)	$ 2,946	$ 307	$ 3,253
Long-lived assets(3)	1,301	121	1,422
Total assets(4)	3,461	337	3,798

(1) Sales to external customers and long-lived assets for individual countries (primarily Germany, Canada, and Mexico) were not material.

(2) Geographic assignment is based on location of selling business.

(3) Long-lived assets include all long-term assets other than net assets of discontinued operations, goodwill, intangibles, and deferred taxes.

(4) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Note 15. Commitments and Contingencies

Capital Commitments

Commitments for authorized capital expenditures totaled approximately $61 million at December 31, 2009. It is anticipated that the majority of these expenditures will be funded over the next 12 months from existing cash and short-term investments and internally generated cash.

Lease Commitments

Certain of our facilities, equipment, and other assets are leased under long-term arrangements. Minimum lease payments under noncancelable operating leases with lease terms in excess of 1 year are expected to total $30 million in 2010, $24 million in 2011, $19 million in 2012, $13 million in 2013, $10 million in 2014, and $40 million in subsequent years.

Commitments under capital leases are not significant. Total rental costs for continuing operations totaled $37 million in 2009, $35 million in 2008, and $31 million in 2007, and included minimum rentals under noncancelable operating leases of $37 million, $35 million, and $31 million for the respective periods.

Litigation

We are party to other legal proceedings arising from our operations. We establish reserves for claims and proceedings when it is probable that liabilities exist and where reasonable estimates of such liabilities can be made. While it is not possible to predict the outcome of any of these matters, based on our assessment of the

Pactiv Corporation

Notes to Financial Statements (Continued)

facts and circumstances now known, we do not believe that any of these matters, individually or in the aggregate, will have a material adverse effect on our financial position. However, actual outcomes may be different from those expected and could have a material effect on our results of operations or cash flows in a particular period.

Environmental Matters

We are subject to a variety of environmental and pollution control laws and regulations. From time to time, we identify costs or liabilities arising from compliance with environmental laws and regulations. When related liabilities are probable and can be reasonably estimated, we establish appropriate reserves. Estimated liabilities may change as additional information becomes available. We appropriately adjust our reserves as new information on possible clean-up costs, expense and effectiveness of alternative clean-up methods and other potential liabilities is received. We do not expect that any additional liabilities recorded as a result of the availability of new information will have a material adverse effect on our financial position. However, such costs could have a material effect on our results of operations or cash flows in a particular period.

Note 16. Quarterly Financial Data (Unaudited)

				Amounts Attributable to Pactiv		
	Sales	Cost of Sales(1)	Restructuring and Other	Income From Continuing Operations(1)	Income (Loss) From Discontinued Operations	Net Income(1)
			(In millions)			
2009						
First quarter	$ 766	$ 495	$	$ 77	$	$ 77
Second quarter	901	601		81	(1)	80
Third quarter	839	562		79	15	94
Fourth quarter	854	583		71	1	72
	$ 3,360	$ 2,241	$	$ 308	$ 15	$ 323
2008						
First quarter	$ 808	$ 585	$ 14	$ 43	$ (1)	$ 42
Second quarter	951	706	2	63	(3)	60
Third quarter	925	700	(2)	59		59
Fourth quarter	883	647	2	55		55
	$ 3,567	$ 2,638	$ 16	$ 220	$ (4)	$ 216

(1) First quarter 2009 through third quarter 2009 and all four quarters of 2008 have been adjusted for the change in inventory accounting method.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

	Attributable to Pactiv Common Shareholders(1)							
	Basic Earnings per Share of Common Stock			Diluted Earnings per Share of Common Stock			Stock Price/Share	
	Continuing Operations	Discontinued Operations	Net Income	Continuing Operations	Discontinued Operations	Net Income	High	Low
2009								
First quarter	$ 0.58	$	$ 0.58	$ 0.58	$	$ 0.58	$ 25.31	$ 10.62
Second quarter	0.61	(0.01)	0.60	0.61	(0.01)	0.60	23.52	14.01
Third quarter	0.60	0.12	0.72	0.59	0.11	0.70	26.81	20.04
Fourth quarter	0.54	0.01	0.55	0.53	0.01	0.54	27.71	22.27
Total year	2.33	0.12	2.45	2.31	0.11	2.42	27.71	10.62
2008								
First quarter	$ 0.32	$	$ 0.32	$ 0.32	$	$ 0.32	$ 29.52	$ 23.00
Second quarter	0.49	(0.03)	0.46	0.48	(0.03)	0.45	27.34	20.82
Third quarter	0.45		0.45	0.45		0.45	28.49	18.98
Fourth quarter	0.42		0.42	0.41		0.41	26.95	20.44
Total year	1.68	(0.03)	1.65	1.66	(0.03)	1.63	29.52	18.98

(1) The sum of amounts shown for individual quarters may not equal the total for the year because of changes in the weighted-average number of shares outstanding throughout the year. First quarter 2009 through third quarter 2009 and the full year 2008 have been adjusted for the change in inventory accounting method.

The following tables present the changes to the interim quarters of 2009 for the change in inventory accounting method, as described in Note 2 to the financial statements.

	Three Months Ended September 30, 2009		Three Months Ended June 30, 2009		Three Months Ended March 31, 2009	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions)					
Cost of Sales, excluding depreciation and amortization	$ 573	$ 562	$ 575	$ 601	$ 473	$ 495
Operating income	137	148	179	153	167	145
Income tax expense	41	45	59	49	53	45
Income from continuing operations	73	80	97	81	91	77
Net income attributable to Pactiv	87	94	96	80	91	77

Earnings (loss) per share of common stock:						
Basic	$ 0.67	$ 0.72	$ 0.72	$ 0.60	$ 0.69	$ 0.58
Diluted	$ 0.65	$ 0.70	$ 0.72	$ 0.60	$ 0.69	$ 0.58

	Nine Months Ended September 30, 2009		Six Months Ended June 30, 2009		Three Months Ended March 31, 2009	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions)					
Net income	$ 275	$ 252	$ 187	$ 157	$ 91	$ 77
Deferred income taxes	114	100	52	34	20	11
Net working capital(1)	92	129	91	139	67	90

(1) Impacts the (increase) decrease in inventories

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

	Three Months Ended September 30, 2009		Three Months Ended June 30, 2009		Three Months Ended March 31, 2009	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions)					
Operating income (loss)						
Consumer Products	$ 72	$ 80	$ 94	$ 80	$ 74	$ 63
Foodservice/Food Packaging	70	73	89	77	95	84
Other	(5)	(5)	(4)	(4)	(2)	(2)
Total operating income (loss)	$ 137	$ 148	$ 179	$ 153	$ 167	$ 145

	Nine Months Ended September 30, 2009		Six Months Ended June 30, 2009		Three Months Ended March 31, 2009	
	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted	As Originally Reported	As Adjusted
	(In millions)					
Total assets						
Consumer Products	$ 1,248	$ 1,250	$ 1,280	$ 1,275	$ 1,240	$ 1,249
Foodservice/Food Packaging	2,099	2,111	2,122	2,130	2,115	2,135
Other	216	211	397	396	365	354
Total assets	$ 3,563	$ 3,572	$ 3,799	$ 3,801	$ 3,720	$ 3,738

Note 17. Noncontrolling Interests

The FASB issued ASC 810-10-45, Consolidation which was effective for fiscal years, and interim periods within such fiscal years, beginning on or after December 15, 2008. ASC 810-10-45 requires that noncontrolling (minority) interests be recognized as equity (but separate from the parent s equity) in consolidated financial statements, and that net earnings related to noncontrolling interests be included in consolidated net income, but identified separately on the face of the income statement. ASC 810-10-45 also amends prior authoritative guidance, and expands disclosure requirements regarding the interests of parents and noncontrolling interests. In order to meet the ASC 810-10-45 disclosure requirements upon adoption, we have added a statement of shareholders equity and a statement of comprehensive income (loss) to our interim reporting.

ASC 810-10-45 also requires disclosure of the effects of any changes in a parent s ownership interest in a subsidiary on the equity attributable to the parent. In January 2007, we purchased an additional 1% interest in a folding carton operation in Dongguan, China. This brought our interest to 51%, requiring us to include the joint venture in our consolidated financial statements. There were no changes in ownership interest in our subsidiaries in 2009 or 2008, and the effect in 2007 of the additional 1% interest in Dongguan, China had an immaterial impact on the equity attributable to Pactiv.

The preceding notes are an integral part of the foregoing financial statements.

Pactiv Corporation

Notes to Financial Statements (Continued)

Note 18. Guarantor.

Certain subsidiaries of Pactiv have entered into guarantee and security arrangements in connection with indebtedness entered into by RGHL and its subsidiaries and affiliates in connection with the acquisition of Pactiv by RGHL as described in Note 1. In accordance with SEC regulation S-X Rule 3-10 disclosure requirements, the following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as of December 31, 2009 and the related statements of income and cash flow for the year ended December 31, 2009 of (a) Pactiv Corporation (the Parent), (b) the other guarantor subsidiaries, (c) the non-guarantor subsidiaries and (d) Pactiv Corporation on a consolidated basis.

(2) The eliminating entries necessary to consolidate the Parent with the other guarantor subsidiaries and the non-guarantor subsidiaries.

Each guarantor subsidiary is 100% owned by Pactiv Corporation. The notes issued by RGHL are fully and unconditionally guaranteed to the extent permitted by law and subject to certain customary guarantee release provisions set forth in the indentures or other documents governing such notes on a joint and several basis by each guarantor subsidiary. Provided below are condensed statements of income, financial position, and cash flows of Pactiv Corporation and the condensed statements of income, financial position and cash flows of the guarantor and non-guarantor subsidiaries. They have been prepared under the accounting policies of Pactiv Corporation. The guarantor subsidiaries and non-guarantor subsidiaries are each presented on a combined basis. The principle eliminating entries eliminate investments in subsidiaries and intercompany balances and transactions.

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Condensed Consolidating Statement of Income
For the year ended December 31, 2009

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Sales	$	$ 3,306	$ 54	$	$ 3,360
Cost of sales		(2,199)	(42)		(2,241)
Selling, general, and administrative	(46)	(298)	(5)		(349)
Depreciation and amortization	(7)	(175)	(2)		(184)
Other	(2)	(5)			(7)
Operating income (loss)	**(55)**	**629**	**5**		**579**
Interest (expense) income	(96)	3			(93)
Share of equity earnings of subsidiaries, net of tax	404			(404)	
Income (loss) before income taxes	**253**	**632**	**5**	**(404)**	**486**
Income tax expense	55	(230)	(2)		(177)
Income (loss) from continuing operations	**308**	**402**	**3**	**(404)**	**309**
Discontinued operations, net of tax	15				15
Net income	**323**	**402**	**3**	**(404)**	**324**
Less : Net income attributable to the noncontrolling interest			**(1)**		**(1)**
Net income attributable to Pactiv	**$ 323**	**$ 402**	**$ 2**	**$ (404)**	**$ 323**

F-513

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Condensed Consolidating Statement of Financial Position
December 31, 2009

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Assets					
Cash and temporary cash investments	$ 5	$ 26	$ 15	$	$ 46
Accounts and notes receivable	29	285	14		328
Inventories		383	7		390
Intercompany accounts	22	70	1	(93)	
Deferred income tax assets	53				53
Other	6	9			15
Total current	115	773	37	(93)	832
Property, plant, and equipment, net	53	1,107	12		1,172
Goodwill		1,135			1,135
Intangible assets, net		371	1		372
Investments in affiliates & intercompany accounts	2,272	(1)	2	(2,271)	2
Other	41	20			61
Total other assets	2,313	1,525	3	(2,271)	1,570
Total assets	**$ 2,481**	**$ 3,405**	**$ 52**	**$ (2,364)**	**$ 3,574**
Liabilities and Equity					
Short-term debt, including current maturities of long-term debt	$	$ 5	$	$	$ 5
Accounts payable	3	137	4		144
Short-term borrowings-affiliates	11	(9)	9	(11)	
Intercompany accounts		70	3	(73)	
Other liabilities	87	180	1		268
Total current liabilities	101	383	17	(84)	417
Long-term debt	1,270				1,270
Deferred income taxes		62	(1)		61
Intercompany accounts		25		(25)	
Pension and postretirement benefits		694			694
Other	116	4			120
Noncurrent liabilities related to discontinued operations	9		2		11
Total Pactiv shareholders equity	985	2,237	18	(2,255)	985

Noncontrolling interest			16		16
Total equity	985	2,237	34	(2,255)	1,001
Total liabilities and equity	**$ 2,481**	**$ 3,405**	**$ 52**	**$ (2,364)**	**$ 3,574**

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Condensed Consolidating Statement of Cash Flows
For the year ended December 31, 2009

	Parent	Guarantor Entities	Non-Guarantor Entities	Eliminations	Consolidated
			(In millions)		
Cash provided (used) by operating activities	**$**	**$ 176**	**$ (4)**	**$ (11)**	**$ 161**
Cash provided (used) by investing activities	**(25)**	**(91)**		**(13)**	**(129)**
Included in investing activities:					
Expenditures for property, plant, and equipment	(5)	(106)			(111)
Acquisitions of business and assets	(20)				(20)
Other investing activities		15		(13)	2
Cash provided (used) by financing activities	**28**	**(117)**	**(1)**	**24**	**(66)**
Included in financing activities:					
Issuance of common stock	6				6
Revolving credit facility payment	(70)				(70)
Intercompany borrowings/loans	95	(95)			
Dividends paid to noncontrolling interest	(3)	(22)		24	(1)
Other			(1)		(1)
Increase (decrease) in cash and temporary cash investments	**3**	**(32)**	**(5)**		**(34)**
Cash and temporary cash investments, January 1, 2009	**2**	**58**	**20**		**80**
Cash and temporary investments, December 31, 2009	$ 5	$ 26	$ 15	$	$ 46

Table of Contents

Pactiv Corporation

Notes to Financial Statements (Continued)

Note 19. Reserve Roll Forward

Activity in certain key reserves is as follows.

Valuation and Qualifying Accounts (In millions)

Column A	Column B	Column C Additions		Column D	Column E
Description	**Balance at beginning of year**	**Charged to (reversed from) costs and expenses**	**Charged to (reversed from) other accounts**	**Deductions**	**Balance at end of Year**
Allowance for doubtful accounts					
Year ended December 31, 2009	$ 7	$ 1	$ (2)	$	$ 6
Year ended December 31, 2008	6	6	(5)		7
Year ended December 31, 2007	9	(1)	(2)		6
Inventory valuation					
Year ended December 31, 2009	$ 5	$ 3	$	$	$ 8
Year ended December 31, 2008(1)	4	1			5
Year ended December 31, 2007(1)	6	(2)			4
Deferred tax asset valuation					
Year ended December 31, 2009	$ 33	$ 2	$	$	$ 35
Year ended December 31, 2008	40	(4)	(3)		33
Year ended December 31, 2007	42	(5)	3		40

(1) Adjusted for the change in inventory accounting method, as described in Note 2 to the financial statements.

Dopaco

Combined financial statements

May 1, 2011, December 26, 2010 and December 27, 2009

(in thousands of US dollars)

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Management of
Reynolds Group Holdings Limited

We have audited the accompanying carve-out combined balance sheets of Dopaco as of May 1, 2011 and December 26, 2010, and the related carve-out combined statements of earnings, comprehensive income, invested equity and cash flows for the 126-day period ended May 1, 2011 and for the years ended December 26, 2010 and December 27, 2009. These carve-out combined financial statements are the responsibility of Dopaco s management. Our responsibility is to express an opinion on these carve-out combined financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the carve-out combined financial statements referred to above present fairly, in all material respects, the financial position of Dopaco as of May 1, 2011 and December 26, 2010, and the results of its operations and its cash flows for the 126-day period ended May 1, 2011 and for the years ended December 26, 2010 and December 27, 2009 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP[1]

Montreal, Canada
July 8, 2011

[1] Chartered accountant auditor permit No. 19653

Table of Contents

Dopaco

Combined Balance Sheets

	Note	As of May 1, 2011 $	As of December 26, 2010 $
		(In thousands of US dollars)	
Assets			
Current assets			
Cash		29	28
Receivables	4	33,022	33,919
Inventories	5	54,034	60,006
Prepaid expenses		2,876	2,399
Deferred income tax asset		5,354	5,740
		95,315	**102,092**
Investment in significantly influenced company	17	2,177	2,215
Property, plant and equipment	6	152,177	157,627
Customer relationships and client lists	7	15,775	15,998
Goodwill	8	20,371	20,066
Deferred income tax asset	11	11,076	7,258
Other long-term assets		2,088	2,071
		298,979	**307,327**
Liabilities and Invested Equity			
Current liabilities			
Accounts payable and accrued liabilities			
Third parties	9	35,406	35,031
Related parties	9,16	2,644	2,089
Income taxes payable		978	559
		39,028	37,679
Other long-term liabilities	10	15,373	13,506
Deferred income tax liability	11	43,550	46,535
		97,951	**97,720**
Commitments and contingencies	13		
Invested equity			
Owner s net investment		187,956	204,139
Accumulated other comprehensive income	15	13,072	5,468
		201,028	209,607

	298,979	**307,327**

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

Dopaco

Combined Statements of Earnings

	Note	For the 126-Day Period Ended May 1, 2011 $	For the Year Ended December 26, 2010 $	For the Year Ended December 27, 2009 $
		(In thousands of US dollars)		
Sales		**152,510**	**456,211**	**449,351**
Cost of sales and expenses				
Cost of sales				
Third parties		118,589	349,439	344,215
Related parties	16	14,153	41,225	44,740
Selling and administrative expenses				
Third parties		14,260	32,000	32,788
Related parties	16	140	599	627
Other operating expenses (net)	13(b)	50	7,183	759
		147,192	**430,446**	**423,129**
Operating income		**5,318**	**25,765**	**26,222**
Interest income		22	41	140
Foreign exchange gain		134	394	982
		156	**435**	**1,122**
Earnings before income taxes		5,474	26,200	27,344
Provision for income taxes	11	516	659	3,658
Share of results of significantly influenced company	17	121	571	207
Net earnings for the period		**5,079**	**26,112**	**23,893**

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

Table of Contents

Dopaco

Combined Statements of Comprehensive Income

	Note	For the 126-Day Period Ended May 1, 2011 $	For the Year Ended December 26, 2010 $	For the Year Ended December 27, 2009 $
		(In thousands of US dollars)		
Net earnings for the period		**5,079**	**26,112**	**23,893**
Change in foreign currency translation adjustment of foreign operations		6,556	3,091	9,943
Actuarial gain on employee future benefits, net of taxes	12(e)	1,048	258	2,991
Other comprehensive income		**7,604**	**3,349**	**12,934**
Comprehensive income for the period		**12,683**	**29,461**	**36,827**

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

Table of Contents

Dopaco

Combined Statements of Invested Equity

	Owner s net investment $	Accumulated other comprehensive income (loss) $	Total invested equity $
	(In thousands of US dollars)		
Balance December 28, 2008	**220,681**	**(10,815)**	**209,866**
Net earnings for the year	23,893		23,893
Net transfer to Owner	(33,337)		(33,337)
Other comprehensive income		12,934	12,934
Balance December 27, 2009	**211,237**	**2,119**	**213,356**
Net earnings for the year	26,112		26,112
Net transfer to Owner	(33,210)		(33,210)
Other comprehensive income		3,349	3,349
Balance December 26, 2010	**204,139**	**5,468**	**209,607**
Net earnings for the period	5,079		5,079
Net transfer to Owner	(21,262)		(21,262)
Other comprehensive income		7,604	7,604
Balance May 1, 2011	**187,956**	**13,072**	**201,028**

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

Table of Contents

Dopaco

Combined Statements of Cash Flows

	For the 126-Day Period Ended May 1, 2011 $	For the Year Ended December 26, 2010 $	For the Year Ended December 27, 2009 $
	(In thousands of US dollars)		
Operating activities			
Net earnings for the period	5,079	26,112	23,893
Adjustments to reconcile net earnings to cash flows from operations			
Depreciation and amortization	8,021	23,613	21,767
Share of results of significantly influenced company	(121)	(571)	(207)
Deferred income taxes	(6,170)	(6,043)	524
Other	3,222	1,555	(2,967)
Changes in current assets and liabilities			
Receivables	1,349	(3,264)	694
Inventories	6,499	(1,121)	7,688
Prepaid expenses	(467)	(398)	1,655
Income taxes	358	558	367
Accounts payable and accrued liabilities			
Third parties	65	2,624	2,066
Related parties	555	(208)	(233)
Net cash provided by operations	**18,390**	**42,857**	**55,247**
Investing activities			
Additions to property, plant and equipment	(1,532)	(12,252)	(27,556)
Other	145	596	464
Net cash used in investing activities	**(1,387)**	**(11,656)**	**(27,092)**
Financing activities			
Net transfer to Owner	(17,002)	(31,206)	(28,069)
Net cash used in financing activities	**(17,002)**	**(31,206)**	**(28,069)**
Net change in cash	1	(5)	86
Cash Beginning of period	28	33	(53)
Cash End of period	**29**	**28**	**33**

Supplemental disclosure	
Income taxes received	388

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

Dopaco

Notes to combined financial statements
May 1, 2011, December 26, 2010 and December 27, 2009

(In thousands of US dollars)

1 Nature of activities

Description of business

On May 2, 2011, Cascades Inc., through its wholly owned subsidiary Cascades USA Inc. (Cascades USA), (together, the Owner) completed the sale of Dopaco Inc. and Dopaco Canada Inc. (together Dopaco) to Reynolds Group Holdings Limited. Dopaco manufactures and supplies packaging, including cups and lids, for the quick service restaurant and food service industries in North America. These combined financial statements have been prepared in connection with this sale, and present the carve-out historical combined financial position, results of operations and cash flows of Dopaco as if it operated on a stand-alone basis subject to the Owner s control.

Dopaco ceased to be a guarantor of the Owner s external Senior Notes and credit facility on May 2, 2011.

Period-end date

Dopaco uses a 52- or 53-week fiscal year with the year-end date being the last Sunday of December of each year. In the context of the sale of Dopaco described above, Dopaco prepared these combined financial statements for the 126-day period from December 27, 2010 to May 1, 2011, with comparative combined financial statements for the fiscal years ended December 26, 2010 and December 27, 2009, which are both 52-week periods. Those periods are referred to as 2011, 2010 and 2009, respectively.

Basis of presentation

Dopaco s combined financial statements are presented using accounting principles generally accepted in the United States of America (US GAAP). Dopaco has elected to use the US dollar as its reporting currency. Management believes the assumptions underlying the combined financial statements, including the allocations described below, are reasonable. However, the combined financial statements may not necessarily reflect Dopaco s combined results of operations, financial position and cash flows in the future or what its results on operations, financial position and cash flows would have been had Dopaco been a stand-alone entity during the periods presented.

As these combined financial statements represent the combination of two separate legal entities wholly owned by Cascades USA, the net assets of Dopaco have been presented as Owner s net investment. The Owner s net investment in Dopaco is primarily composed of (i) the initial investment to establish the net assets (and any subsequent adjustments thereto); (ii) the accumulated net earnings; (iii) net transfers to or from the Owner, including those related to cash management functions performed by the Owner; (iv) non-cash changes in financing arrangements, including the conversion of certain related party liabilities into Owner s net investment; (v) corporate cost allocations; and (vi) changes in certain income tax liabilities or assets.

The effects of the initial acquisition of Dopaco by the Owner and the subsequent adjustments to the carve-out basis of accounting applied to Dopaco were recorded in accordance with the United States Securities and Exchange Commission s Staff Accounting Bulletin (SAB) Topic 5J, Push Down Basis of Accounting Required in Certain Limited Circumstances , which was codified into ASC Topic 805. Accordingly, in the accompanying May 1, 2011 and

December 26, 2010 combined balance sheets, the portion of the total consideration and related costs paid by the Owner in connection with its acquisition of, and attributable to, Dopaco have been pushed down to Dopaco and allocated to the assets acquired and liabilities assumed at the date of acquisition in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations .

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

1 Nature of activities (continued)

Allocations from Owner

In addition to the carve-out of businesses and entities comprising the operations and the net assets of Dopaco, these combined financial statements also include allocations of certain Owner s expenses, with corresponding amounts included in the combined balance sheets within Owner s net investment. Allocated items are described below.

The expenses allocated represent management s best estimates and are not necessarily indicative of the expenses that would have been incurred had Dopaco performed these functions as a stand-alone entity, nor are they indicative of expenses that will be charged or incurred in the future. It is not practicable to estimate the amount of expenses Dopaco would have incurred for the periods presented had it not been an affiliated entity of the Owner in each of those periods.

General corporate expenses

The Owner has allocated certain of its general corporate expenses to Dopaco based on services provided by the Owner which include fees relating to the audit and the preparation of tax returns and insurance. The general corporate expense allocations are included in selling and administrative expenses Related parties in Dopaco s combined statements of earnings.

Income taxes

Income taxes are calculated as if all of Dopaco s operations had been separate tax-paying legal entities, each filing a separate tax return in its local tax jurisdiction. Dopaco s income tax amounts currently payable or receivable by it are included in Owner s net investment, because the net liabilities (receivables) for the taxes due (refundable) are recorded in the financial statements of the Owner s non-group entities that file the combined tax returns, except for Canadian operations which file a separate tax return. As a result of the aforementioned structure, substantially all of Dopaco s income tax liabilities (refunds) are also paid (collected) by the Owner s various non-group entities. These net changes in income tax amounts currently payable or receivable are included in net cash transfers (to) from Owner in the accompanying combined financial statements. No adjustments have been made in these carve-out financial statements to eliminate a tax structure that was put in place during the period of the historical financial statements, as more fully described in note 11.

Cash management

Cash in the combined balance sheets comprises the cash of Dopaco s businesses. None of the Owner s cash and cash equivalents has been allocated to Dopaco in the combined financial statements.

2 Significant accounting policies

Basis of combination

The combined financial statements include the accounts of Dopaco and its investment in a joint venture accounted for using the equity method. Under the equity method, the investment is recorded at initial cost and adjusted periodically to recognize Dopaco s proportionate share of the investee s net earnings or losses, additional contributions and advances made and dividends received. Dopaco also identifies variable interest entities in which it has an interest and determines whether it is the primary beneficiary of such entities. If Dopaco is the primary beneficiary of the variable interest entities identified, those entities are combined. A variable interest entity is defined as an entity in which the equity s investment at risk is not sufficient to

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

2 Significant accounting policies (continued)

permit the entity to finance its activities without external financial support, or the equity investors at risk lack decision-making powers, do not absorb the expected losses, or do not receive the expected residual returns.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and disclosure of contingencies at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. On a regular basis and with the information available, management reviews its estimates, including those related to environmental costs, employee future benefits, collectibility of receivables, inventory valuations, profit sharing and management bonuses, contingencies, income taxes and related valuation allowance, useful life of long-lived assets and impairment of long-lived assets and goodwill. Actual results could differ from those estimates. When adjustments become necessary, they are reported in earnings in the period in which they are known.

Revenue recognition

Dopaco recognizes its sales, which consist of product sales, when persuasive evidence of an arrangement exists, the goods are shipped, the significant risks and benefits of ownership are transferred, the price is fixed or determinable, and collection of the resulting receivable is reasonably assured.

Shipping costs

Amounts charged to customers related to shipping are included in sales and the related shipping costs are recorded in cost of sales.

Cash

Cash includes cash on hand, bank balances and bank overdraft.

Receivables

Receivables are recorded at cost net of a provision for allowance for doubtful accounts that is based on expected collectibility. The allowance for doubtful accounts represents management s best estimate of probable losses inherent in the third party trade receivables balance. Management determines the allowance based on known uncollectible accounts, historical experience and other currently available evidence.

Inventories

Inventories of finished goods and work in process are valued at the lower of the first-in, first-out method and net realizable value. Cost of finished goods and work in process included material, labour and manufacturing overhead costs. Inventories of raw materials and supplies are valued at the lower of cost and net realizable value. Cost of raw materials and supplies is determined using the first-in, first-out method.

Property, plant and equipment and depreciation

Property, plant and equipment are recorded at cost less accumulated depreciation and impairments, including interest incurred during the construction period of certain property, plant and equipment. Depreciation is calculated on a straight-line basis over periods varying from 20 to 25 years for buildings and 5 to 18 years for machinery and equipment, and over periods of 3 years for computer equipment, determined according to the estimated useful life of each class of property, plant and equipment. Planned major maintenance is expensed as incurred.

Dopaco

Notes to combined financial statements (Continued)

2 Significant accounting policies (continued)

Leasehold improvements are depreciated on a straight-line basis over the shorter of the life of the respective leased asset or the term of the lease, which varies from 5 to 15 years.

Customer relationships and client lists

Customer relationships and client lists are recorded at cost less accumulated amortization and impairments, and are amortized on a straight-line basis over a period of 30 years.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable, as measured by comparing their net book value to the estimated undiscounted future cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposal.

Goodwill

Goodwill is tested for impairment at each year-end, or more frequently if events or circumstances indicate that the asset may be impaired. Dopaco evaluates the recoverability of goodwill using a two-step impairment test approach at the reporting unit level. In the first step, the fair value for the reporting unit is compared to its book value including goodwill. In the event that the fair value of the reporting unit is less than its book value, a second step is performed which compares the fair value of the reporting unit s goodwill to the book value of its goodwill. The fair value of goodwill is determined based on the difference between the fair value of the reporting unit and the net fair value of the identifiable assets and liabilities of such reporting unit. If the fair value of goodwill is less than its book value, the difference is recognized as an impairment.

Employee future benefits

Dopaco offers funded and unfunded defined benefit pension plans, defined contribution pension plans and group registered retirement savings plans that provide retirement benefit payments for most of its employees. The defined benefit pension plans are non-contributory and are based on the number of years of service. Dopaco also offers a post-retirement health benefits plan to one of its executives, which is referred to as other benefit plan. Those plans are managed separately from those of the Owner.

The cost of post-retirement health benefits is actuarially determined using the projected unit credit cost method.

The cost of pensions earned by employees is actuarially determined using the projected benefit method pro-rated on years of service and management s best estimate of expected plan investment performance and retirement ages of employees. The accrued benefit obligation is evaluated using the market interest rate at the evaluation date.

For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Past service costs arising from a plan amendment are amortized on a straight-line basis over the average remaining service period of the group of employees active at the date of amendment. The excess of the net actuarial gain or loss over the greater of (a) 10% of the accrued benefit obligation at the beginning of the year and (b) 10% of the fair value of plan assets at the beginning of the year is amortized over the average remaining service period of active employees, which may vary from 14 to 22 years (weighted average of 14 years) in 2011 depending on the plan (2010 4 to 22 years (weighted average of 12 years)).

When restructuring a plan results in a curtailment and a settlement occurring at the same time, the curtailment is accounted for before the settlement.

Dopaco

Notes to combined financial statements (Continued)

2 Significant accounting policies (continued)

The measurement date of the defined benefit pension plans is April 1 of each year, which has been extrapolated to May 1, 2011. An actuarial evaluation is performed at least every three years. Based on the pension plan liability balance, all of the plans were evaluated on May 1, 2011. The post-retirement health benefits plan was evaluated on May 1, 2011.

The net periodic benefit cost includes the following:

The cost of pension and post-retirement benefits provided in exchange for employees services rendered during the period;

The interest cost of pension and post-retirement obligations;

The expected long-term return on pension fund assets based on a market value of pension fund assets;

Gains or losses on settlements and curtailments;

The straight-line amortization of past service costs and plan amendments over the average remaining service period of approximately 12 years of the active employee group covered by the plans; and

The amortization of cumulative net actuarial gains and losses in excess of 10% of the greater of the accrued benefit obligation or market value of plan assets at the beginning of the year over the average remaining service period of approximately 12 years of the active employee group covered by the plans.

Income taxes

Dopaco uses the asset and liability approach for accounting for income taxes (also refer to Allocations from Owner Income taxes in note 1). Under this approach, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary assets and liabilities and their respective tax bases. This approach also requires the recognition of deferred differences between the financial statement carrying amounts of existing tax assets for operating loss carryforwards and tax credit carryforwards.

The effect on deferred tax assets and liabilities of a change in tax rates and laws is recognized in earnings in the period that includes the enactment date. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the deferred tax liabilities or assets are expected to be recovered or settled. Dopaco records a valuation allowance on deferred tax assets when it is not more likely than not that the assets will be realized.

Investment tax credits are accounted for as a reduction in income tax expense. Accrued interest and penalties related to unrecognized tax benefits are recognized as part of Dopaco s provision for income taxes.

Environmental and legal claims

Costs associated with environmental and other litigation are accrued when such costs are probable and reasonably estimable. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures, if any, are discounted to their present value when the amount and timing of expected cash payments are reliably determinable.

Foreign currency translation

Foreign currency transactions

Transactions denominated in currencies other than Dopaco s measurement currency are recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Unrealized gains and

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

2 Significant accounting policies (continued)

losses on translation of other monetary assets and liabilities are reflected in the determination of net earnings for the year.

Foreign operations

The functional currency of Dopaco s foreign operations is generally the local currency. The assets and liabilities of those foreign operations are translated into US dollars at the year-end exchange rates. Revenues and expenses are translated at the average exchange rates for the year. Translations gains and losses are recorded as a component of invested equity, in accumulated other comprehensive income.

3 New accounting standards

Adopted in 2011

In January 2010, the FASB issued an update of ASC 820-10, Fair Value Measurements and Disclosures Overall , (formerly FAS 157, Fair Value Measurements) to add two new disclosures:

transfers in and out of Level 1 and 2 measurements and the reasons for the transfers; and

a gross presentation of activity within the Level 3 roll-forward.

The updated ASC also includes clarifications to existing disclosure requirements on the level of disaggregation and disclosures regarding inputs and valuation techniques. These modifications are effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll-forward activity in Level 3 fair value measurements. Those disclosures are effective for interim and annual periods beginning after December 15, 2010. Dopaco adopted the update of ASC 820-10 on December 27, 2010. The adoption of this ASC did not have an impact on Dopaco s financial position or results of operations.

In October 2009, the FASB issued ASC 605-25, Multiple Element Arrangements , for arrangements with multiple deliverables under which a company is required to use its best estimate of selling price for the deliverables in an arrangement when vendor specific objective evidence or third party evidence of the selling price is not available. In addition, the residual method of allocating arrangement consideration will no longer be permitted. Under the new guidance, non-software components of tangible products and certain software components of tangible products have been removed from the scope of existing software revenue recognition guidance. Revenue for those products will be recognized in a manner similar to revenue for other tangible products. The new guidance, including the requirement for expanded qualitative and quantitative disclosures, is effective prospectively for fiscal years beginning on or after June 15, 2010, which for Dopaco is December 27, 2010. Dopaco adopted ASC 605-25 on December 27, 2010. The adoption of this ASC did not have an impact on Dopaco s financial position or results of operations.

4 Receivables

	2011	2010

	$	**$**
Trade receivables	30,560	32,863
Other accounts receivable	2,462	1,056
	33,022	**33,919**

As of May 1, 2011 and December 26, 2010, the provision for allowance for doubtful accounts is nil.

Dopaco

Notes to combined financial statements (Continued)

5 Inventories

	2011 $	2010 $
Raw materials and supplies	13,775	16,906
Work in process	17,125	17,040
Finished goods	23,134	26,060
	54,034	**60,006**

6 Property, plant and equipment

	Cost $	2011 Accumulated depreciation $	Net $
Buildings and leasehold improvements	14,049	7,496	6,553
Machinery and equipment	369,875	228,840	141,035
Computer equipment	14,347	12,643	1,704
Assets under construction	2,885		2,885
	401,156	**248,979**	**152,177**

	Cost $	2010 Accumulated depreciation $	Net $
Buildings and leasehold improvements	13,465	7,046	6,419
Machinery and equipment	366,097	220,759	145,338
Computer equipment	14,081	12,387	1,694
Assets under construction	4,176		4,176
	397,819	**240,192**	**157,627**

Depreciation of property, plant and equipment amounted to $7,798 for the 126-day period ended May 1, 2011 (2010 $22,946; 2009 $21,100).

7 Customer relationships and client lists

	Cost $	Accumulated amortization $	Net $
Balance December 27, 2009	**20,000**	**3,335**	**16,665**
Amortization		667	667
Balance December 26, 2010	**20,000**	**4,002**	**15,998**
Amortization		223	223
Balance May 1, 2011	**20,000**	**4,225**	**15,775**

Amortization of customer relationships and client lists amounted to $223 for the 126-day period ended May 1, 2011 (2010 $667; 2009 $667). The estimated aggregate amount of amortization expense for customer relationships and client lists is $444 for the 238-day period ending December 25, 2011 and $667 in each of the next five years thereafter.

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

8 Goodwill

	2011 $	2010 $
Balance Beginning of period	20,066	19,921
Foreign currency translation	305	145
Balance End of period	**20,371**	**20,066**

9 Accounts payable and accrued liabilities

	Note	2011 $	2010 $
Third parties		13,896	11,622
Wages and withholdings		1,395	1,042
Management bonus		1,625	2,435
Profit sharing		844	2,649
Worker s compensation		3,320	3,774
Vacation		2,770	2,652
Legal claims	13(b)	7,240	7,240
Other		4,316	3,617
		35,406	35,031
Related parties		2,644	2,089
		38,050	**37,120**

10 Other long-term liabilities

	Note	2011 $	2010 $
Employee future benefits	12(b)	15,317	13,466
Other		238	222
		15,555	13,688
Less: Current portion, included in accounts payable and accrued liabilities		182	182

	15,373	**13,506**

11 Income taxes

a) The components of Dopaco s earnings before income taxes by taxing jurisdiction are as follows:

	2011 $	2010 $	2009 $
United States	1,454	13,315	17,263
Canada	4,020	12,885	10,081
	5,474	**26,200**	**27,344**

F-531

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

11 Income taxes (continued)

b) The provision for (recovery of) income taxes by taxing jurisdiction is as follows:

	2011 $	2010 $	2009 $
Current			
United States	6,328	6,144	3,134
Canada	358	558	
	6,686	**6,702**	**3,134**
Deferred			
United States	(6,701)	(4,766)	2,753
Canada	531	(1,277)	(2,229)
	(6,170)	(6,043)	524
	516	**659**	**3,658**

c) The provision for income taxes based on the effective income tax rate differs from the provision for income taxes based on the combined basic rate for the following reasons:

	2011 $	2010 $	2009 $
Provision for income taxes based on statutory federal and state income tax rate in the United States	2,015	9,618	10,038
Reconciling items			
Difference in statutory income tax rate of foreign operations	(407)	(1,209)	(1,017)
Non-taxable dividend from the Owner*		(4,166)	(4,922)
Investment tax credit	(200)	(2,727)	
Other permanent differences	(511)	(765)	(114)
Change in valuation allowance	(179)		
Other	(202)	(92)	(327)
Provision for income taxes	**516**	**659**	**3,658**

*

Dopaco Canada Inc. entered into a tax structure with its Owner whereby Dopaco Canada Inc. incurred tax deductible interest expense on a note due from the Owner and received non-taxable dividends on preferred shares issued by the Owner. Both the note payable to the Owner and the investment in preferred shares are included in Owner s net investment. Effective August 5, 2010, the tax structure was dismantled.

Dopaco

Notes to combined financial statements (Continued)

11 Income taxes (continued)

d) Deferred income taxes include the following items:

	2011 $	2010 $
Deferred income tax assets		
Tax benefit arising from income tax losses	4,426	5,231
Provision	11,236	7,101
Other	768	666
	16,430	**12,998**
Deferred income tax liabilities		
Property, plant and equipment	36,861	39,624
Customer relationships and client lists	6,578	6,635
Other	111	276
	43,550	**46,535**
Deferred income taxes		
Deferred income tax asset Short-term	5,354	5,740
Deferred income tax asset Long-term	11,076	7,258
Deferred income tax liability Long-term	43,550	46,535
	27,120	**33,537**

e) As of May 1, 2011, Dopaco has accumulated losses in Canada for income tax purposes amounting to $16,752, which may be carried forward to reduce income taxes in future years. The tax benefit arising from these losses amounted to $4,426 and has been recognized as a deferred income tax asset. Income tax losses as of May 1, 2011 are detailed as follows:

	$
Years ending December 2028	735
2029	2,551
2030	1,140
	4,426

F-533

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits

a) Total expense recognized in the Group s combined statement of earnings:

	Pension plan $	Other benefits $	Total $
126-day period ended May 1, 2011			
Current service cost	526		526
Interest cost	438	9	447
Expected return on plan assets	(369)		(369)
Recognized prior service cost	89		89
Recognized actuarial loss	78		78
Recognized net transitional obligation	2		2
Curtailment*	2,680		2,680
Establishment of a post-retirement health benefits plan*		663	663
Net periodic benefit cost	**3,444**	**672**	**4,116**
Year ended December 26, 2010			
Current service cost	2,116		2,116
Interest cost	1,359		1,359
Expected return on plan assets	(909)		(909)
Recognized prior service cost	560		560
Recognized actuarial loss	88		88
Recognized net transitional obligation	5		5
Net periodic benefit cost	**3,219**		**3,219**
Year ended December 27, 2009			
Current service cost	2,964		2,964
Interest cost	1,251		1,251
Expected return on plan assets	(713)		(713)
Recognized prior service cost	561		561
Recognized actuarial loss	483		483
Recognized net transitional obligation	5		5
Settlement**	721		721
Net periodic benefit cost	**5,272**		**5,272**

*

On February 1, 2011, Dopaco amended the Supplemental Executive Retirement Plan (SERP) of one of its executives. The additional liability recognized at the date of the execution of the amendment was $2,384. The amendment fixes the benefit payable under the SERP to a lump sum of approximately $8,050 on the executive s date of separation from service. This amount is part of the accrued benefit obligation presented in note 12 b). A curtailment charge of $2,680 was recognized following the amendment, from which an amount of $296 was reclassified from accumulated other comprehensive income. In addition to the amendment described above, on February 1, 2011, Dopaco entered into an agreement to provide a post-retirement health benefits plan to one of its executives. An expense of $663 was recognized at the inception of this plan.

** In 2009, Dopaco paid an amount of $4,000 to one of its executives as a partial settlement of its unfunded defined benefit pension plan. A net loss of $721 was recognized following this payment.

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

Total cash payments for employee future benefits for 2011, consisting of cash contributed by Dopaco to its defined benefit pension plans and other benefit plan, amounted to $695 (2010 $1,504; 2009 $5,779). Estimated cash payments for the defined benefit pension plans and other benefit plan total $1,527 for the 238-day period ending December 25, 2011.

b) The funded status of the defined benefit pension plans and other benefit plan as of May 1, 2011 and December 26, 2010 are as follows:

	Note	Pension plan $	Other benefits $	Total $
126-day period ended May 1, 2011				
Accrued benefit obligation				
Beginning of period		29,180		29,180
Current service cost		526		526
Interest cost		438	9	447
Actuarial losses		(623)		(623)
Benefits paid		(178)		(178)
Establishment of a post-retirement health benefits plan			663	663
Settlement	12(a)	2,384		2,384
Other		60		60
End of period		**31,787**	**672**	**32,459**
Plan assets				
Beginning of period		15,714		15,714
Actual return on plan assets		977		977
Employer s contributions		695		695
Benefits paid		(179)		(179)
Other		66		66
End of period		**17,273**		**17,273**
Year ended December 26, 2010				
Accrued benefit obligation				
Beginning of year		25,292		25,292
Current service cost		2,116		2,116
Interest cost		1,359		1,359
Actuarial gains		904		904
Benefits paid		(608)		(608)

Prior service cost	80	80
Other	37	37
End of year	**29,180**	**29,180**
Plan assets		
Beginning of year	13,051	13,051
Actual return on plan assets	1,732	1,732
Employer s contributions	1,504	1,504
Benefits paid	(608)	(608)
Other	35	35
End of year	**15,714**	**15,714**

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

	2011 **$**	**2010** **$**
Reconciliation of amounts recognized in combined balance sheets		
Fair value of plan assets	17,273	15,714
Accrued benefit obligation	32,459	29,180
Funded status of plan Deficit	**(15,186)**	**(13,466)**
Pension plan asset	131	
Pension plan liability Current	(182)	(182)
Pension plan liability Long-term	(14,463)	(13,284)
Other benefits liability Long-term	(672)	
	(15,317)	(13,466)
Net amount recognized	**(15,186)**	**(13,466)**

c) The following amounts relate to plans that are not fully funded as of May 1, 2011 and December 26, 2010:

	Pension plan **$**	**Other benefits** **$**	**Total** **$**
126-day period ended May 1, 2011			
Fair value of plan assets	16,175		16,175
Accrued benefit obligation	30,820	672	31,492
Funded deficit	**(14,645)**	**(672)**	**(15,317)**
Year ended December 26, 2010			
Fair value of plan assets	15,714		15,714
Accrued benefit obligation	29,180		29,180
Funded deficit	**(13,466)**		**(13,466)**

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

d) The following table presents the amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive income:

	Pension plan* $
126-day period ended May 1, 2011	
Transition obligation	(26)
Prior service cost	(1,536)
Accumulated loss	(4,151)
Income taxes	2,159
Accumulated other comprehensive loss	**(3,554)**
Year ended December 26, 2010	
Transition obligation	(28)
Prior service cost	(2,731)
Accumulated loss	(4,678)
Income taxes	2,835
Accumulated other comprehensive loss	**(4,602)**

* Consists solely of amounts relating to the pension plan as no amounts are recognized in accumulated other comprehensive income for other benefits

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

e) The following table presents the amounts included in other comprehensive income:

	Pension plan* $
126-day period ended May 1, 2011	
Prior service cost	
Recognized prior service cost	89
Net gain	1,259
Recognized net actuarial loss	78
Recognized net transition obligation	2
Recognized prior service cost in curtailment charge	1,106
Recognized net actuarial loss in curtailment charge	(810)
Income taxes	(676)
Net amount recognized in other comprehensive income	**1,048**
Year ended December 26, 2010	
Prior service cost	(88)
Recognized prior service cost	560
Net loss	(89)
Recognized net actuarial loss	88
Recognized net transition obligation	5
Income taxes	(218)
Net amount recognized in other comprehensive income	**258**
Year ended December 27, 2009	
Prior service cost	(20)
Recognized prior service cost	561
Net gain	3,183
Recognized net actuarial loss	1,204
Recognized net transition obligation	5
Income taxes	(1,942)
Net amount recognized in other comprehensive income	**2,991**

*

Consists solely of amounts relating to the pension plan as no amounts are recognized in accumulated other comprehensive income for other benefits

The estimated amounts for pension plans which will be amortized from accumulated other comprehensive income into net periodic benefit cost for the 238-day period ending December 25, 2011:

	$
Transition obligation	3
Prior service cost	(117)
Accumulated loss	(167)
	(281)

F-538

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

f) The main actuarial assumptions adopted in measuring the accrued benefit obligation of the pension plans and other benefit plan and expenses are as follows:

	2011 %	2010 %	2009 %
Accrued benefit obligation as of May 1, 2011, December 26, 2010 and December 27, 2009			
Pension plan discount rate	5.59	5.00	5.50
Other benefits discount rate	5.50		
Benefit costs for the periods			
Pension expense discount rate	5.90	4.67	4.51
Other benefits expense discount rate	5.50		
Expected long-term return on assets	7.00	7.00	7.00
Rate increase in health care costs	10.00	n/a	n/a
Cost trend rates decline to	5.50	n/a	n/a
Year the rate should stabilize	2016	n/a	n/a

Discount rate for Canadian plans in 2011 is 6.10% based on a model using a spot rate yield curve developed from bond yield data for AA corporate bonds provided with an adjustment to disregard yields provided for 25-year and 30-year maturities.

Discount rate for US pension and other benefit plans in 2011 is 5.50% and has been based on applying the projected benefit streams for the Dopaco plans to the Citigroup Pension Liability Index.

Dopaco used 7.00% in 2011 as the expected return on pension plan assets, which reflects the current view of long-term investment returns. This rate was determined based on historical returns.

g) Assumed rate increases in health care costs have a significant effect on the amounts reported for the health care plans. A 1% change in assumed health care cost trend rates would have the following effects for 2011:

	Increase of 1%	Decrease of 1%
Current service costs and interest cost	2	(2)
Accrued benefit obligation End of year	149	(122)

h) The pension plan assets allocation and investment target allocation as of May 1, 2011 and December 26, 2010 are detailed as follows:

	2011 %	2010 %
Pension plan assets allocation		
Debt securities	40	37
Equity securities	60	63
	100	**100**

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

The pension plan assets do not include shares or debt securities of the Owner. There are no annual benefit annuities pledged by insurance contracts established by Dopaco or the Owner.

	2011 %	2010 %
Investment target allocation		
Debt securities	35	35
Equity securities	65	65
	100	**100**

Target allocation is established so as to maximize return while considering an acceptable level of risk in order to meet the plan obligations on a long-term basis.

Investment objectives for the pension plan assets are the following: optimizing return while considering an acceptable level of risk, maintaining an adequate diversification, controlling the risk according to different asset categories, and maintaining a long-term objective of return on investments.

Investment guidance is established for each investment manager. It includes parameters that must be followed by managers and presents criteria for diversification, non-eligible assets and minimum quality of investments as well as for return objectives. Unless indicated otherwise, the managers cannot use any derivative product or invest more than 10% of their assets in one particular security.

i) Fair value measurement

Level 1 Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Dopaco has the ability to access.

Level 2 Inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 Inputs are unobservable inputs for the asset or liability which one typically based on an entity s own assumptions, as there is little, if any, related market activity.

As of May 1, 2011 and December 26, 2010, the pension investments measured at fair value were as follows:

	2011		
	Level 1	**Level 2**	**Total**

			Level 3	
	$	$	$	$
Assets				
Short-term securities	119			119
Fixed income	6,324			6,324
Equities	9,733	1,097		10,830
	16,176	**1,097**		**17,273**

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

12 Employee future benefits (continued)

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Assets				
Short-term securities	60			60
Fixed income	5,392			5,392
Equities	9,314	948		10,262
	14,766	**948**		**15,714**

j) Estimated future benefit payments

Future benefit payments for defined benefit pension plans and other benefit plan, taking into consideration future participation, are estimated as follows:

	Funded pension plans	**Unfunded pension plans**	**Other benefit plan**
	$	**$**	**$**
238-day period ending December 25, 2011	320	121	
Years ending December 2012	540	182	3
2013	603	182	7
2014	663	182	16
2015	736	182	20
2016 2020	4,767	908	220

k) Defined contribution plans

Dopaco has a 401(k) savings and profit-sharing plan and group registered retirement savings plans covering substantially all non-union employees. Contributions to the 401(k) and group registered retirement savings plans are based on Dopaco matching, at a specified percentage, employee contributions which approximated $314, $902 and $856 for the 126-day period ended May 1, 2011 and for the years ended December 26, 2010 and December 27, 2009, respectively. The profit-sharing portion of the plan is determined at the discretion of Dopaco s Board of Directors and amounted to $831 as of May 1, 2011 (December 26, 2010 $2,639; December 27, 2009 $2,381).

13 Commitments and contingencies

a) Future minimum payments under non-cancellable operating leases are as follows:

	Buildings $	Equipment $
238-day period ending December 25, 2011	4,219	766
Years ending December 2012	7,260	186
2013	5,848	118
2014	5,843	105
2015	5,344	24
2016	2,871	5
Thereafter	6,006	

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

13 Commitments and contingencies (continued)

	2011 $	2010 $	2009 $
Rental expense on operating leases, including rent of buildings	2,744	8,526	8,410

b) At the end of 2010, Dopaco defended a claim in a California state court alleging violations of that state s on-duty meal-break laws. Dopaco recognized $7,240 in settlement costs in 2010, representing the amounts due under the preliminary settlement agreement reached in January 2011. On April 12, 2011, the preliminary settlement was approved by the court. As such, Dopaco does not anticipate that the outcome will differ substantially from the initial estimate or have a material adverse effect on its financial position or long-term results of operations or cash flows.

Dopaco ceased to be liable for this claim on May 2, 2011 as this liability remains with the Owner.

c) In 2006, Dopaco was notified by the Newark Group, the owner of a site a portion of which was leased by Dopaco between 1981 and 1988 in Stockton, California, that the site was contaminated with toluene, a solvent and constituent of printing ink. The Newark Group filed a Resource Conservation and Recovery Act lawsuit against Dopaco in the United States District Court, Eastern District of California, in November 2008 seeking to order Dopaco to remediate the property and assume all future liability for the contamination. In 2010, the Court ruled on two matters, one denying the Newark Group s Motion for a Partial Summary Judgment against Dopaco and second, allowing for the expansion of the Newark Group s claim against Dopaco to include methane contamination. Dopaco has multiple defenses and intends to vigorously contest the claim. Therefore, no provision has been established on Dopaco s books as of May 1, 2011, and management believes that the outcome will not have a material adverse effect on Dopaco s financial position, results of operations or cash flows.

Dopaco ceased to be liable for this claim on May 2, 2011 as this liability remains with the Owner.

d) In the normal course of operations, Dopaco is party to various legal actions and contingencies, mostly related to product liability claims. While the final outcomes with respect to legal actions outstanding as of May 1, 2011 cannot be predicted with certainty, it is management s opinion that the outcomes will not have a material adverse effect on Dopaco s financial position, results of operations or cash flows.

14 Financial instruments

Financial risk management

Dopaco s financial instruments are exposed to certain financial risks, including credit risk, foreign currency risk, price risk, interest rate risk and liquidity risk.

Credit risk

Dopaco is exposed to credit risk on receivables from its customers. In order to reduce this risk, management reviews new customers credit histories before granting credit and conducts regular reviews of existing customers credit performance.

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

14 Financial instruments (continued)

For the 126-day period ended May 1, 2011 and for the years ended December 26, 2010 and December 27, 2009, Dopaco had three customers which individually exceeded 10% of the combined sales. The sales for those customers were approximately as follows:

	2011 **$**	**2010** **$**	**2009** **$**
Customer A	35,200	110,000	92,200
Customer B	24,400	72,000	77,000
Customer C	22,200	68,300	62,400
	81,800	**250,300**	**231,600**

A significant portion of Dopaco s sales is to distributors for the 10 largest quick service restaurant chains. As of May 1, 2011 and December 26, 2010, accounts receivable from the three largest distributors accounted for 53% and 56% of total net trade accounts receivable.

Foreign currency risk

Dopaco s manufacturing operations are located in the United States and Canada but approximately 23% (2010 22%; 2009 21%) of its sales are made to customers in Canadian dollars. As a result, it is exposed to fluctuations in the foreign exchange rate in Canada and its earnings are affected by increases or decreases in the value of the Canadian dollar relative to the US dollar.

Price risk

Dopaco is exposed to commodity price risk relating to purchases of raw materials. As a result, prices may increase too high for Dopaco to make an operating profit.

Interest rate risk

Dopaco is exposed to interest rate risk arising from fluctuations in interest rates on its cash.

Liquidity risk and capital risk management

Liquidity risk is the risk that Dopaco will not be able to meet its financial obligations as they become due. Dopaco manages its liquidity risk by monitoring its forecasted cash flows, as well as expected investing and financing activities. All of Dopaco s financial liabilities are due within 90 days. Dopaco does not have long-term financial liabilities.

Dopaco has historically operated as a wholly owned unit of the Owner. As such it does not have any shareholder s equity but rather maintains a branch account with its parent. The Owner funds all aspects of Dopaco s capital expenditures. All activities pertaining to cash fundings and borrowings are centralized within the Owner s treasury department. Direct external funding at the entity level is generally not permitted, and exceptions must be approved by the Owner. Capital and liquidity requirements within Dopaco are funded by the Owner in the form of cash transfers, cash pooling agreements and/or loans. Capital structures of entities within Dopaco are determined in consideration of tax and corporate finance objectives in order to ensure an optimal cost-efficient financial structure for the Owner.

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

14 Financial instruments (continued)

The following are the contractual maturities of financial liabilities:

	As of May 1, 2011					
	Carrying amount $	Contractual cash flows $	Less than one year $	Between one and two years $	Between two and five years $	More than five years $
Accounts payable and accrued liabilities	38,050	38,050	38,050			
Income taxes payable	978	978	978			
	39,028	**39,028**	**39,028**			

	As of December 26, 2010					
	Carrying amount $	Contractual cash flows $	Less than one year $	Between one and two years $	Between two and five years $	More than five years $
Accounts payable and accrued liabilities	37,120	37,120	37,120			
Income taxes payable	559	559	559			
	37,679	**37,679**	**37,679**			

15 Accumulated other comprehensive income

	Note	2011 $	2010 $
Foreign currency translation adjustment		16,626	10,070
Actuarial losses on employee future benefits, net of taxes	12(d)	(3,554)	(4,602)

13,072	**5,468**

16 Related party transactions

All of Dopaco s related party transactions with subsidiaries, divisions and entities of the Owner (herein individually and collectively referred to as the Owner) were agreed to by Dopaco and the Owner.

The following table describes the nature and amounts of related party transactions with the Owner and its joint venture included in Dopaco s combined financial statements. These translations were concluded in the normal course of business.

	2011 **$**	**2010** **$**	**2009** **$**
Transactions with the Owner			
Purchases	14,153	41,225	44,740
Allocation of corporate expenses	140	599	627
Transactions with joint venture			
Sales	49	42	353
Purchases			429
Balances with the Owner			
Accounts payable and accrued liabilities	2,644	2,089	2,297

F-544

Table of Contents

Dopaco

Notes to combined financial statements (Continued)

17 Investment in significantly influenced company

The following summarizes financial information about Dopaco s share of assets, liabilities, sales and net earnings of its joint venture accounted for under the equity method:

	2011 $	2010 $	2009 $
Current assets	1,413	1,341	
Long-term assets	1,399	1,496	
Current liabilities	455	360	
Long-term liabilities	180	262	
Sales	2,150	4,923	5,517
Cost of sales	1,508	3,159	3,910
Net earnings	121	571	207

18 Information by operating segment

Dopaco operates in one operating segment.

	2011 $	2010 $	2009 $
Sales			
Canada	34,014	102,642	103,292
United States	118,496	353,569	346,059
	152,510	**456,211**	**449,351**
Long-lived assets			
Canada	15,190	15,087	
United States	152,762	158,538	
	167,952	**173,625**	
Goodwill			
Canada	4,540	4,235	
United States	15,831	15,831	
	20,371	**20,066**	

19 Subsequent event

Dopaco evaluates subsequent events through the date that its combined financial statements are issued, which is July 8, 2011.

On May 18, 2011, Dopaco sold its interest in Union Packaging LLC, a significantly influenced company accounted for using the equity method in Dopaco s combined financial statements, for a cash consideration of $2,528, which generated a gain of approximately $351.

20 Comparative figures

Certain comparative figures have been reclassified to conform to the carve-out combined financial statement presentation adopted in the current period. As a result, an amount of $4,772 was reclassified from Owner s net investment to Deferred income tax liabilities and an amount of $5,740 was reclassified from long-term Deferred income tax asset to short-term Deferred income tax asset.

Table of Contents

Graham Packaging Company Inc.

Interim unaudited condensed financial statements

for the three and six month periods ended June 30, 2011 and June 30, 2010

Table of Contents

Graham Packaging Company Inc.

Condensed consolidated balance sheets
(Unaudited)

	June 30, 2011	December 31, 2010
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 162,059	$ 152,964
Accounts receivable, net	315,769	216,368
Inventories	272,330	247,166
Deferred income taxes	30,796	14,616
Prepaid expenses and other current assets	40,545	42,363
Total current assets	821,499	673,477
Property, plant and equipment, net	1,207,593	1,203,142
Intangible assets, net	186,639	195,780
Goodwill	658,255	643,064
Other non-current assets	73,549	91,364
Total assets	$ 2,947,535	$ 2,806,827
Liabilities and equity (deficit)		
Current liabilities:		
Current portion of long-term debt	$ 31,599	$ 34,007
Accounts payable	245,257	142,585
Accrued expenses and other current liabilities	205,897	196,432
Deferred revenue	40,294	32,471
Total current liabilities	523,047	405,495
Long-term debt	2,790,984	2,798,824
Deferred income taxes	41,214	32,428
Other non-current liabilities	113,140	100,804
Commitments and contingent liabilities (see Notes 15 and 16)		
Equity (deficit):		
Graham Packaging Company Inc. stockholders equity (deficit):		
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 0 shares issued and outstanding		
Common stock, $0.01 par value, 500,000,000 shares authorized, shares issued and outstanding 67,754,824 and 63,311,512	678	633
Additional paid-in capital	466,373	459,422
Retained earnings (deficit)	(992,662)	(977,318)
Notes and interest receivable for ownership interests	(5,037)	(4,838)

Accumulated other comprehensive income (loss)	188	(22,508)
Graham Packaging Company Inc. stockholders equity (deficit)	(530,460)	(544,609)
Noncontrolling interests	9,610	13,885
Equity (deficit)	(520,850)	(530,724)
Total liabilities and equity (deficit)	$ 2,947,535	$ 2,806,827

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Condensed consolidated statements of operations
(Unaudited)

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
	(In thousands, except share and per share data)			
Net sales	$ 821,238	$ 652,832	$ 1,577,735	$ 1,238,408
Cost of goods sold	696,896	532,234	1,338,307	1,015,492
Gross profit	124,342	120,598	239,428	222,916
Selling, general and administrative expenses	74,738	28,414	114,238	95,941
Asset impairment charges	1,369	554	2,478	2,792
Net (gain) loss on disposal of property, plant and equipment	(795)	826	(95)	1,053
Operating income	49,030	90,804	122,807	123,130
Interest expense	53,261	41,891	106,190	87,275
Interest income	(471)	(178)	(664)	(298)
Net loss on debt extinguishment				2,664
Increase in income tax receivable obligations	7,993	3,600	12,567	4,900
Other expense (income), net	211	349	(424)	3,212
(Loss) income before income taxes	(11,964)	45,142	5,138	25,377
Income tax provision	14,640	7,342	23,644	12,088
Net (loss) income	(26,604)	37,800	(18,506)	13,289
Net income attributable to noncontrolling interests	1,835	4,264	2,849	1,974
Net (loss) income attributable to Graham Packaging Company Inc. stockholders	$ (28,439)	$ 33,536	$ (21,355)	$ 11,315
Earnings per share:				
Net (loss) income attributable to Graham Packaging Company Inc. stockholders per share:				
Basic	$ (0.43)	$ 0.54	$ (0.32)	$ 0.20
Diluted	$ (0.43)	$ 0.53	$ (0.32)	$ 0.19
Weighted average shares outstanding:				
Basic	66,457,589	62,555,962	65,873,577	57,780,042
Diluted	66,457,589	62,555,962	65,873,577	57,780,042

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Condensed consolidated statements of comprehensive income (loss)
(Unaudited)

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
	(In thousands)			
Net (loss) income	$ (26,604)	$ 37,800	$ (18,506)	$ 13,289
Other comprehensive income (loss):				
Changes in fair value of derivatives designated and accounted for as cash flow hedges (net of tax of $0 for all periods presented)	252		386	
Amortization of amounts in accumulated other comprehensive income (loss) as of the date the Company discontinued hedge accounting for its interest rate collar and swap agreements (net of tax of $0 for all periods presented)		2,018		4,107
Amortization of prior service costs and unrealized actuarial losses included in net periodic benefit costs for pension and post-retirement plans (net of tax provisions of $65 and $130 for the three and six months ended June 30, 2011, respectively, and $9 and $19 for the three and six months ended June 30, 2010, respectively)	396	516	726	859
Foreign currency translation adjustments (net of tax provisions of $2,354 and $2,358 for the three and six months ended June 30, 2011, respectively, and $77 for each of the three and six months ended June 30, 2010)	5,248	(22,850)	20,548	(24,537)
Total other comprehensive income (loss)	5,896	(20,316)	21,660	(19,571)
Comprehensive (loss) income	(20,708)	17,484	3,154	(6,282)
Comprehensive income attributable to noncontrolling interests	2,156	2,406	4,243	206
Comprehensive (loss) income attributable to Graham Packaging Company Inc. stockholders	$ (22,864)	$ 15,078	$ (1,089)	$ (6,488)

See accompanying notes to condensed consolidated financial statements.

Graham Packaging Company Inc.

Condensed consolidated statements of cash flows
(Unaudited)

	Six months ended June 30, 2011	Six months ended June 30, 2010
	(In thousands)	
Operating activities:		
Net (loss) income	$ (18,506)	$ 13,289
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	104,723	77,645
Amortization of debt issuance fees	2,636	3,184
Accretion of senior unsecured notes	236	238
Net loss on debt extinguishment		2,664
Net (gain) loss on disposal of property, plant and equipment	(95)	1,053
Pension expense	1,500	1,577
Asset impairment charges	2,478	2,792
Unrealized (gain) loss on termination of cash flow hedge accounting	(6,502)	359
Stock compensation expense	498	656
Equity income from unconsolidated subsidiaries	(34)	(40)
Deferred tax provision	14,231	7,263
Increase in income tax receivable obligations	12,567	4,900
Foreign currency transaction (gain) loss	(300)	507
Interest receivable on loans to owners	(199)	(151)
Changes in operating assets and liabilities:		
Accounts receivable	(95,345)	(47,419)
Inventories	(22,212)	2,397
Prepaid expenses and other current assets	2,998	20,490
Other non-current assets	(12,434)	(4,769)
Accounts payable and accrued expenses	108,536	15,015
Pension contributions	(2,468)	(2,916)
Other non-current liabilities	(270)	468
Net cash provided by operating activities	92,038	99,202
Investing activities:		
Cash paid for property, plant and equipment	(80,580)	(75,937)
Proceeds from sale of property, plant and equipment	2,004	255
Cash paid for sale of business	(61)	
Net cash used in investing activities	(78,637)	(75,682)
Financing activities:		

Proceeds from issuance of long-term debt	27,072	42,518
Payment of long-term debt	(38,899)	(240,478)
Debt issuance fees	(462)	(648)
Proceeds from the issuance of common stock, net of underwriting discount of $11.3 million		171,055
Payment of other expenses for the issuance of common stock		(5,419)
Proceeds from issuance of ownership interests	6,421	
Net cash used in financing activities	(5,868)	(32,972)
Effect of exchange rate changes on cash and cash equivalents	1,562	(2,244)
Increase (decrease) in cash and cash equivalents	9,095	(11,696)
Cash and cash equivalents at beginning of period	152,964	147,808
Cash and cash equivalents at end of period	$ 162,059	$ 136,112
Supplemental disclosures:		
Cash paid for interest, net of amounts capitalized	$ 99,953	$ 74,401
Cash paid for income taxes (net of refunds)	8,349	9,686
Non-cash investing and financing activities:		
Accruals for purchases of property, plant and equipment	18,621	6,051
Accruals for debt issuance fees	1	136
Accruals related to acquisitions	676	
Accruals for fees related to the initial public offering		250

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited)

1. Basis of presentation

The accompanying Condensed Consolidated Financial Statements (Unaudited) of Graham Packaging Company Inc. (GPC), a Delaware corporation (formerly known as BMP/Graham Holdings Corporation), have been prepared in accordance with accounting principles generally accepted in the United States of America (generally accepted accounting principles or GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X and therefore do not include all of the information and footnotes required by generally accepted accounting principles for complete annual financial statements. All entities and assets owned by GPC are referred to collectively with GPC as the Company. Graham Packaging Holdings Company, a subsidiary which is 96.2% owned by GPC and for which GPC holds 100% of the general partnership interest, is referred to as Holdings. Graham Packaging Company, L.P., Holdings wholly-owned subsidiary, is referred to as the Operating Company. In the opinion of the management of the Company, all adjustments (consisting only of usual recurring adjustments considered necessary for a fair presentation) are reflected in the Condensed Consolidated Financial Statements (Unaudited). The Condensed Consolidated Balance Sheet (Unaudited) as of December 31, 2010, is derived from audited financial statements. The Condensed Consolidated Financial Statements (Unaudited) and notes included in this report should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2010. The results of operations for the six months ended June 30, 2011, are not necessarily indicative of the results to be expected for the full year ending December 31, 2011.

Recent accounting pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements, particularly for level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011. The Company is evaluating the impact that the adoption of ASU 2011-04 will have on its financial statements, but does not expect that the adoption will have a material impact.

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income. ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders equity and requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This pronouncement is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company is evaluating the impact that the adoption of ASU 2011-05 will have on its financial statements, but does not expect that the adoption will have a material impact.

Management has determined that all other recently issued accounting pronouncements will not have a material impact on the Company s financial statements, or do not apply to the Company s operations.

Noncontrolling interests

The Company attributes earnings and losses of Holdings to the noncontrolling interests of Holdings based on the noncontrolling interests relative unit ownership percentages. Accumulated income attributable to the noncontrolling interests is included in a separate component of equity (deficit).

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

1. Basis of presentation (continued)

Subsequent Events

The Company has evaluated subsequent events that have occurred after the balance sheet date but before the financial statements were available to be issued, which the Company considers to be the date of filing with the Securities and Exchange Commission.

2. Acquisition

Purchase of liquid entities

On September 23, 2010, the Company acquired the Liquid Entities (as defined below) from each of the limited partners (the Liquid Limited Partners) of Liquid Container L.P. (currently known as Graham Packaging LC, L.P.) (Liquid L.P.) and each of the stockholders (the Stockholders) of (i) Liquid Container Inc. (Liquid), a Delaware corporation, (ii) CPG-L Holdings, Inc. (CPG), a Delaware corporation, and (iii) WCK-L Holdings, Inc. (WCK and, together with Liquid and CPG, the Liquid General Partners), a Delaware corporation. Liquid L.P. and the Liquid General Partners are collectively referred to as the Liquid Entities. The Company purchased all the shares from the Stockholders and all of the limited partnership units from the Liquid Limited Partners (collectively, the Liquid Acquisition) for approximately $564.3 million, subject to a potential working capital adjustment.

Under the acquisition method of accounting, the results of the acquired operation are included in the financial statements of the Company beginning on September 23, 2010. The Liquid Entities, which employ approximately 1,000 employees, have operations in 13 plants located across the United States.

The Liquid Entities are custom blow molded plastic container manufacturers based in West Chicago, Illinois, that primarily service food and household product categories. In the food product category, the Liquid Entities produce packaging for peanut butter, mayonnaise, coffee, creamer, cooking oil, nuts, instant drink mixes and other food items. The household product category consists of containers for bleach, laundry detergent, spray cleaners, automotive cleaning products, drain cleaners and other consumer-based household products. The Liquid Entities utilize high density polyethylene, polyethylene terephthalate and polypropylene resins to manufacture their containers.

The Liquid Acquisition represents a strategically important acquisition for the Company as it expanded the Company s customer reach within its existing food and consumer products end markets while providing it with additional technological capabilities and an expansion of its geographical reach. The Liquid Acquisition significantly increased the size and scope of the Company s operations, particularly in the food product category, and provides the Company with considerable opportunities to convert new products to plastic containers. The Liquid Entities have been a leader in custom blow molded plastic containers used in cold-fill applications and have new hot-fill technologies, which complement the Company s technologies, and which management believes can help drive new conversions. The Liquid Entities have a similar financial profile to that of the Company, as they use technology to serve their customer base with innovative and cost effective packaging solutions. Management believes the combined purchasing power can yield savings in freight, energy, outside services, leased equipment and miscellaneous raw materials such as packaging, pallets, shrink wrap and spare parts. Additionally, management has eliminated overlapping corporate functions and expenses.

The initial purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values. The purchase price allocation is preliminary pending a final determination of the purchase price and a final valuation of the assets and liabilities, including a final valuation of property, plant and equipment, intangible assets and the impact on taxes of any adjustments to such valuations, all necessary to account for the acquisition in accordance with FASB Accounting Standards Codification (ASC) 805, Business Combinations. For purposes of allocating the total purchase price, assets acquired and liabilities assumed are

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

2. Acquisition (continued)

recorded at their estimated fair values. The initial allocated fair value of assets acquired and liabilities assumed, and subsequent adjustments, are summarized as follows (in thousands):

	As originally presented	Cumulative adjustments	Adjusted balance
Cash	$ 1,184	$	$ 1,184
Accounts receivable	36,858	(144)	36,714
Inventories	35,029	136	35,165
Prepaid expenses and other current assets	1,247	40	1,287
Total current assets	74,318	32	74,350
Property, plant and equipment	193,186	(11,303)	181,883
Intangible assets	156,500	(600)	155,900
Goodwill	201,437	14,140	215,577
Total assets acquired	625,441	2,269	627,710
Less liabilities assumed	61,140	2,269	63,409
Net cost of acquisition	$ 564,301	$	$ 564,301

The adjustments set forth above include an adjustment to goodwill of approximately $6.5 million and $12.1 million for the three and six months ended June 30, 2011, respectively, related primarily to adjustments to fixed assets and the recognition of deferred revenue. The adjustments for the three and six months ended June 30, 2011, and in the aggregate since the acquisition, did not materially impact previously reported results of operations or cash flows. As a result, prior period financial statements have not been retrospectively adjusted.

The allocation set forth above is based on management s estimate of the fair values using valuation techniques including the income, cost and market approaches. The amount allocated to intangible assets represents the estimated fair values of technologies of $58.2 million, customer relationships of $89.7 million, trade names of $5.0 million and non-compete agreement of $3.0 million. These intangible assets are being amortized on a straight-line basis over weighted-average estimated remaining lives of 11 years, 14 years, 3 years and 2 years for technologies, customer relationships, trade names and non-compete agreement, respectively, reflecting the expected future benefit periods of these intangible assets. Goodwill of $280.3 million is expected to be deductible for tax purposes. Acquired property, plant and equipment are being depreciated on a straight-line basis with estimated remaining lives up to 20 years. The initial purchase price allocations set forth above are based on all information available to the Company at the present time and are subject to change due to additional working capital adjustments and finalization of fair value calculations, and such changes could be material. The goodwill for the Liquid Entities is disclosed within the North American segment in Note 17.

The purchase agreement related to the Liquid Entities contains a stated purchase price of $568.0 million, plus cash on hand, minus certain indebtedness, resulting in a payment by the Company of $564.3 million on September 23, 2010, subject to a potential working capital adjustment. Included in this amount was a payment of $208.2 million to satisfy existing indebtedness of the Liquid Entities, including accrued interest, then outstanding. The Company and the sellers are in the process of finalizing the working capital adjustment and this adjustment could be material.

During the six months ended June 30, 2011, the Company incurred legal, professional and advisory costs directly related to the acquisition totaling $0.3 million. All such costs are included in selling, general and

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

2. Acquisition (continued)

administrative expenses on the Condensed Consolidated Statement of Operations (Unaudited) for the six months ended June 30, 2011. Deferred financing fees incurred in connection with issuing debt related to the acquisition totaled $13.8 million and are reflected in other non-current assets on the Condensed Consolidated Balance Sheet (Unaudited) as of June 30, 2011.

Net sales of the Liquid Entities included in the Company s consolidated results of operations totaled $201.2 million for the six months ended June 30, 2011.

Pro forma information

The following table sets forth unaudited pro forma results of operations, assuming that the above acquisition had taken place at January 1, 2010:

	Three months ended June 30, 2010	Six months ended June 30, 2010
	(In millions, except per share data)	
Net sales	$ 752	$ 1,429
Net income attributable to Graham Packaging Company Inc. stockholders	$ 26	$ 14
Basic net income attributable to Graham Packaging Company Inc. stockholders per share	$ 0.42	$ 0.23

These unaudited pro forma results of operations have been prepared for comparative purposes only and include certain adjustments, such as additional depreciation and amortization expense as a result of a step-up in the basis of fixed assets and intangible assets, increased interest expense on acquisition debt and related tax effects. They do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect at January 1, 2010, or of future results of operations of the entity.

3. Accounts receivable, net

Accounts receivable, net are presented net of an allowance for doubtful accounts of $1.8 million and $1.7 million as of June 30, 2011, and December 31, 2010. Management performs ongoing credit evaluations of its customers and generally does not require collateral.

4. Concentration of credit risk

For the six months ended June 30, 2011 and 2010, 64.1% and 72.2% of the Company s net sales, respectively, were generated by its top twenty customers. No customer had sales exceeding 10% of total sales for the six months ended June 30, 2011. The Company s sales to PepsiCo, Inc., the Company s largest customer, were 10.2% of total sales for the six months ended June 30, 2010. All of these sales were made in North America.

The Company had $220.1 million and $112.3 million of accounts receivable from its top twenty customers as of June 30, 2011, and December 31, 2010, respectively.

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

5. Inventories

Inventories, stated at the lower of cost or market, consisted of the following:

	June 30, 2011	December 31, 2010
	(In thousands)	
Finished goods	$ 182,226	$ 162,136
Raw materials	90,104	85,030
Total	$ 272,330	$ 247,166

6. Property, plant and equipment, net

A summary of property, plant and equipment, net is presented in the following table:

	Expected useful lives (In years)	June 30, 2011	December 31, 2010
		(In thousands)	
Land		$ 53,246	$ 52,651
Buildings and improvements	7-31.5	285,035	280,222
Machinery and equipment(1)	2-15	1,514,896	1,463,614
Molds and tooling	3-5	346,630	321,254
Furniture and fixtures	7	6,668	6,574
Computer hardware and software	3-7	42,567	41,843
Construction in progress		94,005	82,439
Property, plant and equipment		2,343,047	2,248,597
Less: accumulated depreciation and amortization		1,135,454	1,045,455
Property, plant and equipment, net		$ 1,207,593	$ 1,203,142

(1) Includes longer-lived machinery and equipment of approximately $1,456.5 million and $1,407.0 million as of June 30, 2011, and December 31, 2010, respectively, having estimated useful lives, when purchased new, ranging from 8 to 15 years; and shorter-lived machinery and equipment of approximately $58.4 million and $56.6 million as of June 30, 2011, and December 31, 2010, respectively, having estimated useful lives, when purchased new, ranging from 2 to 8 years.

Depreciation expense, including depreciation expense on assets recorded under capital leases, for the three months ended June 30, 2011 and 2010, was $44.7 million and $37.1 million, respectively, and for the six months ended June 30, 2011 and 2010, was $91.2 million and $73.8 million, respectively.

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of these assets. Interest capitalized for the six months ended June 30, 2011 and 2010, was $3.4 million and $2.1 million, respectively.

The Company closed its plant located in Edison, New Jersey in 2008. The land and building at this location, having a carrying value of $6.6 million, are deemed to be held for sale, and as such are reflected in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets (Unaudited) as of June 30, 2011, and December 31, 2010.

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

7. Intangible assets, net

The gross carrying amount and accumulated amortization of the Company s intangible assets subject to amortization as of June 30, 2011, were as follows:

	Gross carrying amount	Accumulated amortization (In thousands)	Net	Weighted average amortization period
Patented technology	$ 87,765	$ (16,915)	$ 70,850	10 years
Customer relationships	125,374	(15,627)	109,747	14 years
Trade names	5,000	(1,250)	3,750	3 years
Non-compete agreements	3,511	(1,219)	2,292	2 years
Total	$ 221,650	$ (35,011)	$ 186,639	

The gross carrying amount and accumulated amortization of the Company s intangible assets subject to amortization as of December 31, 2010, were as follows:

	Gross carrying amount	Accumulated amortization (In thousands)	Net	Weighted average amortization period
Patented technology	$ 86,783	$ (12,611)	$ 74,172	10 years
Customer relationships	124,864	(10,932)	113,932	14 years
Trade names	5,000	(417)	4,583	3 years
Non-compete agreements	3,511	(418)	3,093	2 years
Total	$ 220,158	$ (24,378)	$ 195,780	

Amortization expense for the three months ended June 30, 2011 and 2010, was $5.1 million and $1.2 million, respectively, and for the six months ended June 30, 2011 and 2010, was $10.3 million and $2.4 million, respectively. Remaining estimated aggregate amortization expense for 2011 is $10.2 million. The estimated aggregate amortization expense for each of the next five years ending December 31 is as follows (in thousands):

2012	$ 20,100

2013	18,400
2014	16,800
2015	16,400
2016	15,300

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

8. Goodwill

The changes in the carrying amount of goodwill were as follows:

	North America segment	Europe segment	South America segment (In thousands)	Asia segment	Total
Balance at January 1, 2011	$ 626,156	$ 15,449	$ 7	$ 1,452	$ 643,064
Adjustments to Liquid Entities purchase price allocation (see Note 2)	12,115				12,115
Foreign currency translation adjustments	1,718	1,320		38	3,076
Balance at June 30, 2011	$ 639,989	$ 16,769	$ 7	$ 1,490	$ 658,255

9. Asset impairment charges

The Company continually reviews its assets for indicators of possible impairment. In the six months ended June 30, 2011, the Company identified indicators of possible impairment of certain assets in Belgium, Brazil, France, Mexico, Poland, Spain and the United States, and in the six months ended June 30, 2010, the Company identified indicators of possible impairment of certain assets in Brazil, Mexico, the United Kingdom and the United States. As a result, the Company evaluated the recoverability of these assets and determined that the undiscounted future cash flows were below the carrying value of these long-lived assets. Additionally, management had no plans to redeploy the majority of these assets. Accordingly, the Company adjusted the carrying value of these long-lived assets to their estimated fair value in accordance with the guidance under ASC 360-10-35-15, Subsequent Measurement Impairment or Disposal of Long-lived Assets, resulting in impairment charges being recorded of $1.4 million and $2.5 million for the three and six months ended June 30, 2011, respectively, and $0.6 million and $2.8 million for the three and six months ended June 30, 2010, respectively.

10. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	June 30, 2011	December 31, 2010
	(In thousands)	
Accrued employee compensation and benefits	$ 63,830	$ 72,508
Accrued interest	51,109	41,241
Accrued sales allowance	21,188	24,294
Other	69,770	58,389

$	205,897	$	196,432

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

11. Debt arrangements

Long-term debt consisted of the following:

	June 30, 2011	December 31, 2010
	(In thousands)	
Term loans (net of $7.3 million and $8.9 million unamortized net discount as of June 30, 2011, and December 31, 2010, respectively)	$ 1,926,544	$ 1,934,707
Revolver		
Foreign and other revolving credit facilities	7,066	6,126
Senior notes due 2017 (net of $2.6 million and $2.9 million unamortized discount as of June 30, 2011, and December 31, 2010, respectively)	250,759	250,523
Senior notes due 2018	250,000	250,000
Senior subordinated notes	375,000	375,000
Capital leases	962	1,514
Other	12,252	14,961
	2,822,583	2,832,831
Less amounts classified as current (net of $3.8 million unamortized net discount as of each of June 30, 2011, and December 31, 2010)	31,599	34,007
Total	$ 2,790,984	$ 2,798,824

As of June 30, 2011, the credit agreement, as amended, consisted of a senior secured term loan of $1,016.4 million ($1,027.6 million aggregate outstanding principal amount less $11.2 million unamortized discount) due April 5, 2014 (Term Loan C) and a senior secured term loan of $910.1 million ($906.2 million aggregate outstanding principal amount plus $3.9 million unamortized premium) (Term Loan D and, together with the Term Loan C, the Term Loans), to the Operating Company and GPC Capital Corp. I (CapCo I), and a $124.8 million senior secured revolving credit facility (the Revolver and, together with the Term Loans, the Credit Agreement) that will expire on October 1, 2013, and with availability of $109.1 million (as reduced by $15.7 million of outstanding letters of credit). The Term Loan D will mature on the earliest of (i) September 23, 2016, (ii) the date that is 91 days prior to the maturity of the Company s 8.25% senior notes due January 2017 if such senior notes have not been repaid or refinanced in full by such date or (iii) the date that is 91 days prior to the maturity of the Company s 9.875% senior subordinated notes due October 2014 if such senior notes have not been repaid or refinanced in full by such date. The obligations of the Operating Company and CapCo I under the Credit Agreement are guaranteed by Holdings and certain domestic subsidiaries of the Operating Company. The Term Loans are payable in quarterly installments and require payments of $9.8 million in the remainder of 2011, $19.6 million in 2012, $19.7 million in 2013, $1,010.5 million in 2014, $9.1 million in 2015 and $865.1 million thereafter (disregarding any further mandatory or voluntary prepayments that may reduce such scheduled amortization payments).

Interest under the Credit Agreement is payable at (a) the Adjusted Alternate Base Rate (the higher of (x) the Prime Rate plus a margin of 3.25%; (y) the Federal Funds Rate plus a margin of 3.75%; or (z) the one-month Eurodollar Rate, subject to a floor of 2.50% for the Term Loan C and Revolver and 1.75% for the Term Loan D, plus a margin of 4.25%); or (b) the Eurodollar Rate, subject to a floor of 2.50% for the Term Loan C and Revolver and 1.75% for the Term Loan D, plus a margin of 4.25%. A commitment fee of 0.75% is due on the unused portion of the Revolver.

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

11. Debt arrangements (continued)

The Credit Agreement contains certain affirmative and negative covenants as to the operations and financial condition of the Company, as well as certain restrictions on the payment of dividends and other distributions by the Operating Company to Holdings. As of June 30, 2011, the Company was in compliance with all covenants.

Substantially all domestic tangible and intangible assets of the Company are pledged as collateral pursuant to the terms of the Credit Agreement.

As of June 30, 2011, and December 31, 2010, the Company had outstanding $250.0 million aggregate principal amount of 8.25% senior unsecured notes due 2018 (Senior Notes due 2018), $253.4 million aggregate principal amount of 8.25% senior unsecured notes due 2017 (Senior Notes due 2017 and, together with the Senior Notes due 2018, the Senior Notes) and $375.0 million aggregate principal amount of 9.875% senior subordinated notes due 2014 (Senior Subordinated Notes and, together with the Senior Notes, the Notes) co-issued by the Operating Company and CapCo I. The Notes are unconditionally guaranteed, jointly and severally, by Holdings and certain domestic subsidiaries of the Operating Company and mature on October 7, 2014 (Senior Subordinated Notes), January 1, 2017 (Senior Notes due 2017), and October 1, 2018 (Senior Notes due 2018). Interest on the Senior Subordinated Notes is payable semi-annually at 9.875% per annum and interest on the Senior Notes due 2017 and the Senior Notes due 2018 is payable semi-annually at 8.25% per annum.

In the event that a party acquires beneficial ownership representing voting power in Holdings greater than the voting power represented by the interests beneficially owned by Blackstone (as defined herein) through shares of the Company s common stock, such as the contemplated merger of the Company with a subsidiary of Reynolds Group Holdings Limited (as further described in Note 24), an event of default under the Credit Agreement will be triggered. Upon the occurrence of an event of default under the Credit Agreement, the lenders will not be required to lend any additional amounts or could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable, which could result in an event of default under the Company s other debt instruments. If the Company were unable to repay those amounts, the lenders under the Credit Agreement could proceed against the collateral granted to them to secure that indebtedness. The Company has pledged a significant portion of its assets as collateral under the Credit Agreement. If the lenders under the Credit Agreement accelerate the repayment of borrowings, the Company may not have sufficient assets to repay the Credit Agreement and the Company s other indebtedness or be able to borrow sufficient funds to refinance such indebtedness. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to the Company.

Under the indentures governing the Notes, upon the occurrence of specific kinds of change of control events, such as the contemplated merger of the Company with a subsidiary of Reynolds Group Holdings Limited (as further described in Note 24), the Company will be required to offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, unless such Notes have been previously called for redemption. As further described in Note 25, on July 7, 2011, the Company commenced tender offers for any and all of the Notes and solicited consents of holders of each series of Notes to make certain amendments to the indentures governing the Notes, including with respect to the requirement to make a change of control offer for the Notes. On July 19, 2011, the Company announced that it had received the requisite consents from holders of the Senior Subordinated Notes to adopt the proposed amendments and accordingly, if the Merger (as defined herein) is completed, the Company will not be required to offer to repurchase the outstanding Senior Subordinated Notes as a result of the Merger; however, the Company has not received the requisite consents for the Senior Notes and therefore would be required to make a change of control offer for the Senior Notes upon the completion of the Merger, which would be funded by Reynolds Group Holdings Limited. The issuers failure to repurchase the Notes upon a change of control would cause a

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

11. Debt arrangements (continued)

default under the applicable indenture and a cross default under the senior secured credit facilities and the other indentures.

12. Fair value measurement

The following methods and assumptions were used to estimate the fair values of each class of financial instruments:

Cash and cash equivalents, accounts receivable and accounts payable

The fair values of these financial instruments approximate their carrying amounts.

Long-term debt

The Company s long-term debt consists of both variable-rate and fixed-rate debt. The fair values of the Company s long-term debt were based on market price information. The Company s variable-rate debt, including the Company s Credit Agreement, totaled $1,940.8 million (net of $7.3 million unamortized net discount) and $1,951.3 million (net of $8.9 million unamortized net discount) at June 30, 2011, and December 31, 2010, respectively. The fair value of this long-term debt, including the current portion, was approximately $1,954.1 million and $1,977.1 million at June 30, 2011, and December 31, 2010, respectively. The Company s fixed-rate debt, including $253.4 million of Senior Notes due 2017, $250.0 million of Senior Notes due 2018 and $375.0 million of Senior Subordinated Notes, totaled $881.8 million (net of $2.6 million unamortized discount) and $881.5 million (net of $2.9 million unamortized discount) at June 30, 2011, and December 31, 2010, respectively. The fair value of this long-term debt, including the current portion, was approximately $951.1 million and $915.1 million at June 30, 2011, and December 31, 2010, respectively.

Derivatives

The Company established the following fair value hierarchy that prioritizes the inputs used to measure fair value, in accordance with the guidance under ASC 820-10, Fair Value Measurements and Disclosures :

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs include the following:

a) Quoted prices in active markets for similar assets or liabilities.

b) Quoted prices in markets that are not active for identical or similar assets or liabilities.

c) Inputs other than quoted prices that are observable for the asset or liability.

d) Inputs that are derived primarily from or corroborated by observable market data by correlation or other means.

Level 3: Inputs are unobservable inputs for the asset or liability.

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

12. Fair value measurement (continued)

Recurring fair value measurements

The following table presents the Company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2011, by level within the fair value hierarchy:

	Fair value measurements using Level 1	Level 2	Level 3
		(In thousands)	
Assets:			
Foreign currency exchange contracts	$	$ 87	$
Liabilities:			
Interest rate swap agreements	$	$ 1,310	$
Foreign currency exchange contract		30	

The following table presents the Company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2010, by level within the fair value hierarchy:

	Fair value measurements using Level 1	Level 2	Level 3
		(In thousands)	
Liabilities:			
Interest rate swap agreements	$	$ 7,813	$
Foreign currency exchange contracts		9	

The fair values of the Company s derivative financial instruments are observable at commonly quoted intervals for the full term of the derivatives and therefore considered level 2 inputs.

Non-recurring fair value measurements

The Company has real estate located in Edison, New Jersey that is held for sale. The aggregate carrying value of these assets at June 30, 2011, was $6.6 million, which is less than the fair value of these assets and therefore resulted in no impairment charge for these assets. The determination of fair value included certain unobservable inputs, which reflect the Company s assumptions regarding how market participants would price these assets in the marketplace, and therefore are considered level 3 inputs. The fair value of this real estate was based on offers received from potential buyers.

The Company recorded impairment charges of $1.4 million and $2.5 million for the three and six months ended June 30, 2011, respectively, for long-lived assets in Belgium, Brazil, France, Mexico, Poland, Spain and the United States whose carrying values exceeded fair values. The Company recorded impairment charges of $0.6 million and $2.8 million for the three and six months ended June 30, 2010, respectively, for long-lived assets in Brazil, Mexico, the United Kingdom and the United States whose carrying values exceeded fair values. Fair values for these assets were based on projected future cash flows, discounted using either a risk-free rate or a risk-adjusted rate, which the Company considers level 3 inputs.

13. Derivative financial instruments

The Company s business and activities expose it to a variety of market risks, including risks related to changes in interest rates, foreign currency exchange rates and commodity prices. These financial exposures are monitored and managed by the Company as an integral part of its market risk management program. This program recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effects that market volatility could have on operating results. As part of its market risk management strategy, the

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

13. Derivative financial instruments (continued)

Company uses derivative instruments to protect cash flows from fluctuations caused by volatility in interest rates, foreign currency exchange rates and commodity prices.

Cash flow hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on derivatives representing hedge ineffectiveness, if any, are recognized in current earnings.

At June 30, 2011, and December 31, 2010, the Company had foreign currency exchange contracts outstanding for the purchase of pound sterling, euros and zloty in an aggregate amount of $3.8 million and pound sterling and U.S. dollars in an aggregate amount of $2.2 million, respectively. These foreign currency exchange contracts are accounted for as cash flow hedges and are highly effective as defined by ASC 815, Derivatives and Hedging.

The maximum term over which the Company is hedging exposures to the variability of cash flows (for all forecasted transactions, excluding interest payments on variable-rate debt) is 12 months.

Derivatives not designated as hedging instruments

During the first quarter of 2009, the Company elected to roll over its senior secured term loan in one-month increments to reduce its cash interest, as opposed to continuing to roll over its senior secured term loan in three-month increments to match the terms of its interest rate collar agreements. The Company had therefore discontinued hedge accounting for its interest rate collar and swap agreements. The amount recorded in accumulated other comprehensive income (loss) as of that date was being recognized as interest expense over the period in which the previously hedged activity continued to occur. Changes in the fair value of the interest rate collar and swap agreements from that date were also being recognized as interest expense. As a result of the refinancing of the Credit Agreement that enabled the Company to purchase the Liquid Entities on September 23, 2010, the Company wrote off the remaining unamortized amount in accumulated other comprehensive income (loss).

Financial instruments are not held by the Company for trading purposes.

The notional amounts of the Company s derivative instruments outstanding were as follows:

	June 30, 2011	December 31, 2010
	(In thousands)	
Derivatives designated as hedges:		
Foreign currency exchange contracts	$ 3,825	$ 2,222
Total derivatives designated as hedges	$ 3,825	$ 2,222

Derivatives not designated as hedges:		
Interest rate swap agreements	$ 350,000	$ 350,000
Total derivatives not designated as hedges	$ 350,000	$ 350,000

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

13. Derivative financial instruments (continued)

The fair values of the Company s derivative instruments outstanding were as follows:

	Balance sheet location	June 30, 2011	December 31, 2010
		(In thousands)	
Asset derivatives:			
Derivatives designated as hedges:			
Foreign currency exchange contracts	Prepaid expenses and other current assets	$ 87	$
Total derivatives designated as hedges		87	
Total asset derivatives		$ 87	$
Liability derivatives:			
Derivatives designated as hedges:			
Foreign currency exchange contracts	Accrued expenses and other current liabilities	$ 30	$ 9
Total derivatives designated as hedges		30	9
Derivatives not designated as hedges:			
Interest rate swap agreements	Accrued expenses and other current liabilities	1,310	7,813
Total derivatives not designated as hedges		1,310	7,813
Total liability derivatives		$ 1,340	$ 7,822

F-563

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

13. Derivative financial instruments (continued)

The gains and losses on the Company s derivative instruments during the three and six months ended June 30, 2011, were as follows:

	Amount of gain or (loss) recognized in AOCI (a) (effective portion) for the period ended June 30, 2011		Income statement classification	Amount of gain or (loss) reclassified from AOCI into income (effective portion) for the period ended June 30, 2011	
	Three months	Six months		Three months	Six months
	(In thousands)			(In thousands)	
Derivatives designated as hedges:					
Cash flow hedges:					
Foreign currency exchange contracts	$ 258	$ 429	Other expense (income), net	$ 6	$ 43
Total derivatives designated as hedges	$ 258	$ 429		$ 6	$ 43

		Amount of gain or (loss) recognized in income for the period ended June 30, 2011	
		Three months	Six months
		(In thousands)	
Derivatives not designated as hedges:			
Interest rate swap agreements	Interest expense	$ (52)	$ (155)
Total derivatives not designated as hedges		$ (52)	$ (155)

(a) Accumulated other comprehensive income (loss) (AOCI).

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

13. Derivative financial instruments (continued)

The gains and losses on the Company s derivative instruments during the three and six months ended June 30, 2010, were as follows:

	Amount of Gain or (Loss) Recognized in AOCI (a) (Effective Portion) for the period ended June 30, 2010		Income statement classification	Amount of Gain or (Loss) Reclassified from AOCI into Income (effective portion) for the period ended June 30, 2010	
	Three Months	Six Months		Three Months	Six Months
	(In thousands)			(In thousands)	
Derivatives designated as hedges:					
Cash flow hedges:					
Foreign currency exchange contract	$ (21)	$ (110)	Other expense (income), net	$ (21)	$ (110)
Total derivatives designated as hedges	$ (21)	$ (110)		$ (21)	$ (110)

	Income statement classification	Amount of Gain or (Loss) Recognized in Income for the period ended June 30, 2010	
		Three months	Six months
		(In thousands)	
Derivatives not designated as hedges:			
Interest rate collar agreements	Interest expense	$	$ (86)
Interest rate swap agreements	Interest expense	(2,499)	(7,027)
Total derivatives not designated as hedges		$ (2,499)	$ (7,113)

14. Income taxes

The Company accounts for income taxes in accordance with ASC 740, Accounting for Income Taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates. Pursuant to the requirements of ASC 740-10-30, Establishment of a Valuation Allowance for Deferred Tax Assets, the Company assesses the realizability of deferred tax assets based on an evaluation of positive and negative evidence of future taxable income. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, the nature and amount of deferred tax liabilities, historical earnings and losses, expected taxable income and current and future tax planning strategies. During the six months ended June 30, 2011, the valuation allowance increased by $17.4 million primarily as a result of increases to deferred tax assets related to fair value adjustments to the tax basis of property in the Company s partnership investment.

For the six months ended June 30, 2011, the effective tax rate was higher than the U.S. federal statutory rate for corporations primarily due to significant nondeductible expenses related to the income tax receivable agreements (as further discussed in Note 15) and the proposed merger, certain foreign earnings subject to tax

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

14. Income taxes (continued)

in multiple jurisdictions and increases in deferred tax liabilities associated primarily with tax amortization of goodwill.

The Company had $58.1 million of Unrecognized Tax Benefits (UTB), exclusive of interest and penalties, as of June 30, 2011. For the six months ended June 30, 2011, the Company recorded a net increase in UTB of $1.2 million, exclusive of interest and penalties. At June 30, 2011, the Company had long-term deferred income tax assets of $14.5 million that offset the UTB. As of June 30, 2011, the Company had recorded additional UTB of $5.2 million related to interest and penalties. The Company does not expect a significant change in the UTB balance in the next twelve months. Approximately $3.7 million of UTB at June 30, 2011, if recognized, would impact the Company s effective tax rate.

15. Commitments

The Company is a party to various capital and operating leases involving real property and equipment. Total rent expense for operating leases was $14.1 million and $28.2 million for the three and six months ended June 30, 2011, respectively, and $11.8 million and $24.9 million for the three and six months ended June 30, 2010, respectively.

Under the Fifth Amended and Restated Limited Partnership Agreement and the Amended and Restated Monitoring Agreement (the Monitoring Agreement), the Company was obligated to make annual payments of $2.0 million and $3.0 million to affiliates of the Graham Family (defined as Graham Capital Company, GPC Investments, LLC and Graham Alternative Investment Partners I, LP or affiliates thereof or other entities controlled by Donald C. Graham and his family) and Blackstone (defined as Blackstone Capital Partners III Merchant Banking Fund L.P., Blackstone Offshore Capital Partners III L.P. and Blackstone Family Investment Partnership III L.P. or affiliates thereof), respectively. The Company has terminated the Monitoring Agreement and is no longer obligated to make payments under the Monitoring Agreement. As a result, as of February 10, 2010, the Company is only obligated to make annual payments of $1.0 million to affiliates of the Graham Family for ongoing management and advisory services under the Sixth Amended and Restated Limited Partnership Agreement. See Note 19 for further discussion of the Company s obligations under these agreements.

In connection with the initial public offering (IPO), on February 10, 2010, GPC entered into separate Income Tax Receivable Agreements (ITRs) with its pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and with GPC Holdings, L.P., an affiliate of the Graham Family. The agreements provide for the payment by GPC of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that is actually realized (or is deemed to be realized in the case of an early termination or change in control as further described in the ITRs) as a result of the utilization of net operating losses attributable to periods prior to the IPO, and any increase to the tax basis of the assets of the Company related to (1) the 1998 acquisition of Holdings and (2) current and future exchanges by the Graham Family of their limited partnership units for common stock of GPC pursuant to the Exchange Agreement, and of certain other tax benefits related to GPC s entering into the ITRs, including tax benefits attributable to payments under the ITRs. Payments under the ITRs are not conditioned upon these parties continued ownership of the Company or Holdings.

Excluding the potential impact of the Merger (as defined herein) discussed in Note 24, the Company expects that future payments under the ITRs will aggregate to between $200.0 million and $235.0 million. This range includes payments under the ITRs resulting from the Graham Family s exchange of 4,930,663 limited partnership units through

June 30, 2011. Additional payments under the ITRs for tax basis step-ups relating to future exchanges by the Graham Family of their remaining 2,657,358 limited partnership units in Holdings for GPC common stock is dependent upon the timing and value of such exchanges, and is not

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

15. Commitments (continued)

reflected in the above range. This range is based on the Company s assumptions considering various inputs, including valuation analysis and historical tax basis amounts. The Company will recognize obligations based on the amount of recorded net deferred income tax assets recognized at each balance sheet date, and subject to the ITRs. Changes in the recorded net deferred income tax assets that are subject to the ITRs obligations will result in changes in the ITRs obligations, and such changes will be recorded as other income or expense. As of June 30, 2011, the value of the ITRs obligations was $24.0 million. Because GPC is a holding company with no operations of its own, its ability to make payments under the ITRs is dependent on Holdings ability to make distributions. Upon the effective date of the respective ITRs, the Company recorded an initial obligation of $6.5 million, which was recognized as a reduction of additional paid-in capital. The Company recorded $8.0 million and $3.6 million in non-operating expense related to the increase in the ITRs obligations for the three months ended June 30, 2011 and 2010, respectively, and $12.6 million and $4.9 million for the six months ended June 30, 2011 and 2010, respectively. No payments have been made under the ITRs since their inception. At the closing of the Merger, the surviving corporation will be required to make a cash payment of $245 million to GPC s pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and the Graham Family pursuant to change in control provisions in the ITRs.

16. Contingencies and legal proceedings

On November 3, 2006, the Company filed a complaint with the Supreme Court of the State of New York, New York County, against Owens-Illinois, Inc. and OI Plastic Products FTS, Inc. (collectively, OI). The complaint alleges certain misrepresentations by OI in connection with the Company s 2004 purchase of the blow molded plastic container business of Owens-Illinois, Inc. and seeks damages in excess of $30 million. In December 2006, OI filed an Answer and Counterclaim, seeking to rescind a Settlement Agreement entered into between OI and the Company in April 2005, and disgorgement of more than $39 million paid by OI to the Company in compliance with that Settlement Agreement. The Company filed a Motion to Dismiss the Counterclaim in July 2007, which was granted by the Court in October 2007. On August 1, 2007, the Company filed an Amended Complaint to add additional claims seeking indemnification from OI for claims made against the Company by former OI employees pertaining to their pension benefits. These claims arise from an arbitration between the Company and Glass, Molders, Pottery, Plastic & Allied Workers, Local #171 (the Union) that resulted in an award on April 23, 2007, in favor of the Union. The Arbitrator ruled that the Company had failed to honor certain pension obligations for past years of service to former employees of OI, whose seven Union-represented plants were acquired by the Company in October 2004. In the Amended Complaint, the Company maintains that under Section 8.2 of the Stock Purchase Agreement between the Company and OI, OI is obligated to indemnify the Company for any losses associated with differences in the two companies pension plans including any losses incurred in connection with the Arbitration award. The litigation is proceeding.

The Company is aware of two lawsuits relating to the merger agreement with Silgan Holdings Inc. (Silgan), which have been consolidated and the plaintiffs are now seeking to amend their complaints to challenge the merger agreement with Reynolds (as defined herein).

On April 25, 2011, James Gipson, a purported stockholder of the Company, filed a purported class action lawsuit in the Court of Common Pleas of York County, Pennsylvania against the Company, its directors and Silgan challenging the proposed merger between Silgan and the Company. On June 1, 2011, Phyllis Sciborowski, a purported stockholder of the Company, filed a purported class action and derivative lawsuit relating to the merger agreement with Silgan in the Court of Common Pleas of York County, Pennsylvania against the Company, its directors and Silgan. On July 21, 2011, the Court of Common Pleas of York County, Pennsylvania consolidated the Gipson and Sciborowski lawsuits. On August 2, 2011, the plaintiffs moved for leave to file an amended complaint. The proposed amended complaint asserts claims against the Company, its

F-567

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

16. Contingencies and legal proceedings (continued)

directors, Silgan, Reynolds and Bucephalas Acquisition Corp. The proposed amended complaint alleges that the directors of the Company have breached their fiduciary duties to the Company s stockholders by, among other things (i) failing to fully inform themselves of the Company s market value; (ii) failing to act in the best interests of the Company s stockholders; (iii) failing to maximize stockholder value; and (iv) failing to act in accordance with their duties of good faith, due care, and loyalty. The proposed amended complaint also alleges that the Company s information statement filed with the Securities and Exchange Commission (SEC) contains material omissions. The proposed amended complaint alleges that Silgan, Reynolds and Bucephalas Acquisition Corp. aided and abetted the Company s directors alleged breaches of their fiduciary duties. The proposed amended complaint also alleges that Silgan was unjustly enriched by the Company s payment of a termination fee to Silgan. The proposed amended complaint seeks (i) a declaration that the merger agreement with Reynolds is a breach of fiduciary duties and thus unenforceable; (ii) injunctive relief to prevent the defendants from consummating the merger between the Company and Reynolds unless and until the Company adopts and implements a procedure or process to obtain a merger agreement providing the best available terms for the Company s stockholders and provides all material disclosures to the Company s stockholders; (iii) recission, to the extent already implemented, of the terms of the merger agreement with Reynolds; (iv) disgorgement from the defendants of, and a constructive trust over, the termination fee paid to Silgan, as well as legal, accounting, and other professional fees paid in connection with the Silgan merger agreement; and (v) the costs and disbursements of the purported class and derivative action, including reasonable attorneys and experts fees. The Company believes that the lawsuit is without merit and intends to defend the action vigorously.

The Company is a party to various other litigation matters arising in the ordinary course of business. The ultimate legal and financial liability of the Company with respect to such litigation cannot be estimated with certainty, but management believes, based on its examination of these matters, experience to date and discussions with counsel, that ultimate liability from the Company s various litigation matters will not be material to the business, financial condition, results of operations or cash flows of the Company.

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

17. Segment information

The Company is organized and managed on a geographical basis in four operating segments: North America, Europe, South America and Asia. The Company began accounting for its new Asian operations as a new operating segment as of July 1, 2010, with the acquisition of China Roots Packaging PTE Ltd. Segment information for the three and six months ended June 30, 2011 and 2010, and as of June 30, 2011, and December 31, 2010, representing the reportable segments currently utilized by the chief operating decision makers, was as follows:

		North America	Europe	South America	Asia	Eliminations(a)	Total
		(In thousands)					
Net sales(b)(c)	Three months ended June 30, 2011	$ 721,145	$ 64,648	$ 29,285	$ 7,471	$ (1,311)	$ 821,238
	Three months ended June 30, 2010	574,136	54,527	24,413		(244)	652,832
	Six months ended June 30, 2011	1,385,121	123,626	57,890	12,956	(1,858)	1,577,735
	Six months ended June 30, 2010	1,079,290	112,791	46,861		(534)	1,238,408
Operating income (loss)	Three months ended June 30, 2011	$ 44,619	$ 4,930	$ (340)	$ (179)	$	$ 49,030
	Three months ended June 30, 2010	83,844	5,693	1,267			90,804
	Six months	113,769	11,866	(2,364)	(464)		122,807

	ended June 30, 2011						
	Six months ended June 30, 2010	106,507	13,043	3,580			123,130
Depreciation and amortization	Three months ended June 30, 2011	$ 45,006	$ 4,101	$ 2,069	$ 516	$	$ 51,692
	Three months ended June 30, 2010	33,555	4,109	1,408			39,072
	Six months ended June 30, 2011	89,927	8,024	5,802	970		104,723
	Six months ended June 30, 2010	66,669	8,440	2,536			77,645
Asset impairment charges	Three months ended June 30, 2011	$ 229	$ 152	$ 988	$	$	$ 1,369
	Three months ended June 30, 2010	515		39			554
	Six months ended June 30, 2011	961	529	988			2,478
	Six months ended June 30, 2010	2,414	322	56			2,792
Interest expense, net	Three months ended	$ 51,680	$ 331	$ 637	$ 142	$	$ 52,790

	June 30, 2011						
	Three months ended June 30, 2010	40,654	307	752			41,713
	Six months ended June 30, 2011	103,118	587	1,542	279		105,526
	Six months ended June 30, 2010	85,123	638	1,216			86,977
Other (income) expense, net	Three months ended June 30, 2011	$ (1,033)	$ 1,737	$ (142)	$ (351)	$	$ 211
	Three months ended June 30, 2010	(1,309)	1,829	(171)			349
	Six months ended June 30, 2011	(3,429)	3,622	(415)	(202)		(424)
	Six months ended June 30, 2010	(2,651)	3,352	2,511(d)			3,212
Income tax provision (benefit)	Three months ended June 30, 2011	$ 13,293	$ 665	$ 801	$ (119)	$	$ 14,640
	Three months ended June 30, 2010	5,606	1,764	(28)			7,342
	Six months ended June 30,	20,733	2,076	1,198	(363)		23,644

	2011						
	Six months ended June 30, 2010	8,784	3,098	206			12,088
Identifiable assets(b)(c)(e)	As of June 30, 2011	$ 985,639	$ 130,492	$ 66,710	$ 24,752	$	$ 1,207,593
	As of December 31, 2010	991,676	125,433	69,044	16,989		1,203,142
Goodwill	As of June 30, 2011	$ 639,989	$ 16,769	$ 7	$ 1,490	$	$ 658,255
	As of December 31, 2010	626,156	15,449	7	1,452		643,064
Cash paid for property,	Six months ended June 30, 2011	$ 67,299	$ 4,889	$ 1,857	$ 6,535	$	$ 80,580
plant and equipment	Six months ended June 30, 2010	50,269	8,323	17,345			75,937

(a) To eliminate intercompany transactions.

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

17. Segment information (continued)

(b) The Company s net sales for Europe include countries having significant sales as follows:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(In millions)			
Poland	$ 15.0	$ 12.6	$ 29.1	$ 26.5
Belgium	13.7	12.6	26.1	26.8
Spain	7.7	6.9	14.7	14.2
France	8.6	7.0	17.2	14.7

The Company s identifiable assets for Europe include countries having significant identifiable assets as follows:

	June 30, 2011	December 31, 2010
	(In millions)	
Poland	$ 34.7	$ 33.0
Belgium	29.3	27.2
Spain	19.9	21.0
France	22.2	20.9

(c) The Company s net sales for North America include sales in Mexico which totaled $56.9 million and $47.0 million for the three months ended June 30, 2011 and 2010, respectively, and $103.3 million and $86.6 million for the six months ended June 30, 2011 and 2010, respectively. Identifiable assets in Mexico totaled $77.3 million and $70.6 million as of June 30, 2011, and December 31, 2010, respectively. Substantially all of the North America reportable segment s remaining net sales and identifiable assets are in the United States.

(d) Beginning January 1, 2010, Venezuela s economy is considered to be highly inflationary for accounting purposes. Accordingly, the Company has adopted the U.S. dollar as the functional currency for its Venezuelan operations. All bolivar-denominated transactions, as well as monetary assets and liabilities, are remeasured into U.S. dollars. As a result of the application of hyper-inflationary accounting requiring the revaluation of monetary assets and liabilities, the Company recorded a $2.5 million loss in other expense for the six months ended June 30, 2010. Net sales for Venezuela were $1.8 million and $3.9 million for the three and six months ended June 30, 2011, respectively, and net assets for Venezuela were less than 1.5% of the Company s total net assets as of June 30, 2011, and December 31, 2010. As the Venezuelan operations are not significant to the overall operations of the Company, future rate changes in the bolivar would not have a significant impact on the Company s financial statements.

(e) Represents property, plant and equipment, net.

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

17. Segment information (continued)

Product net sales information

The following is supplemental information on net sales by product category:

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
	(In thousands)			
Food and Beverage	$ 560,062	$ 407,819	$ 1,047,845	$ 769,752
Household	131,457	111,084	269,868	218,008
Personal Care/Specialty	43,549	40,935	85,060	82,505
Automotive Lubricants	86,170	92,994	174,962	168,143
Total Net Sales	$ 821,238	$ 652,832	$ 1,577,735	$ 1,238,408

18. Pension plans

The components of net periodic pension cost for the Company s defined benefit pension plans consisted of the following:

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
	(In thousands)			
Components of net periodic pension cost:				
Service cost	$ 603	$ 546	$ 1,204	$ 1,094
Interest cost	1,659	1,585	3,316	3,176
Expected return on plan assets	(1,976)	(1,740)	(3,952)	(3,483)
Net amortization and deferral of prior service costs	466	396	932	790
Net periodic pension cost	$ 752	$ 787	$ 1,500	$ 1,577

The Company previously disclosed in its financial statements for the year ended December 31, 2010, that it expected to contribute $5.3 million to its pension plans in 2011. As of June 30, 2011, $2.5 million of required contributions to its pension plans has been made and the Company expects to make an additional $2.8 million of contributions in the remainder of 2011.

The Company recognized $2.4 million and $1.9 million of expense for its 401(k) plans in the second quarters of 2011 and 2010, respectively, and $5.1 million and $3.7 million of expense for its 401(k) plans in the first halves of 2011 and 2010, respectively.

19. Transactions with related parties

The Company had transactions with entities affiliated through common ownership. The Company made payments to Graham Engineering Corporation, which is owned by the Graham Family, for equipment and related services of $1.5 million and $0.4 million for the three months ended June 30, 2011 and 2010, respectively, and $2.0 million and $1.4 million for the six months ended June 30, 2011 and 2010, respectively.

Affiliates of both the Graham Family and Blackstone have supplied management and advisory services to Holdings since 1998. The Company has recorded $0.3 million and $0.3 million of expense for these services for the three months ended June 30, 2011 and 2010, respectively, and $0.5 million and $1.0 million for the six months ended June 30, 2011 and 2010, respectively. Under the Fifth Amended and Restated Limited

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

19. Transactions with related parties (continued)

Partnership Agreement and the Monitoring Agreement, Holdings was obligated to make annual payments of $2.0 million and $3.0 million to affiliates of the Graham Family and Blackstone, respectively. In exchange for a one-time payment of $26.3 million to Blackstone Management Partners III L.L.C. and $8.8 million to Graham Alternative Investment Partners I, LP, the parties of the Monitoring Agreement agreed to terminate such agreement in the first quarter of 2010. These amounts paid to terminate the Monitoring Agreement are reflected in selling, general and administrative expenses on the Condensed Consolidated Statement of Operations (Unaudited) for the six months ended June 30, 2010. As a result of the termination, Blackstone, the Graham Family and their affiliates have no further obligation to provide monitoring services to Holdings, and Holdings has no further obligation to make annual payments of $4.0 million, under the Monitoring Agreement. As a result, as of February 10, 2010, the Company is only obligated to make annual payments of $1.0 million to affiliates of the Graham Family for ongoing management and advisory services under the Sixth Amended and Restated Limited Partnership Agreement, until such time that the Graham Family sells more than two thirds of its original investment owned on February 2, 1998 (or common stock for which such partnership interests have been or are eligible to be exchanged), and such services would then cease.

On behalf of Blackstone, the Company made payments to a former Chief Executive Officer and Chief Financial Officer of the Operating Company on January 5, 2007, for the repurchase of all of their outstanding shares of GPC, pursuant to separation agreements dated as of December 3, 2006. Additionally, on behalf of Blackstone, the Company made a payment to a former Senior Vice President of the Operating Company on April 10, 2009, for the repurchase of all of his outstanding shares of GPC. As a result of these payments, Blackstone became the owner of these shares and owes the Company $5.0 million and $4.8 million as of June 30, 2011, and December 31, 2010, respectively, including accrued interest. This receivable is reflected in equity (deficit) on the Condensed Consolidated Balance Sheets (Unaudited).

As discussed in Note 15, in connection with the IPO, on February 10, 2010, GPC entered into separate ITRs with its pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and with GPC Holdings, L.P., an affiliate of the Graham Family. The agreements provide for the payment by GPC of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that is actually realized (or is deemed to be realized in the case of an early termination or change in control as further described in the ITRs) as a result of the utilization of net operating losses attributable to periods prior to the IPO, and any increase to the tax basis of the assets of the Company related to (1) the 1998 acquisition of Holdings and (2) current and future exchanges by the Graham Family of their limited partnership units for common stock of GPC pursuant to the Exchange Agreement, and of certain other tax benefits related to GPC s entering into the ITRs, including tax benefits attributable to payments under the ITRs.

Gary G. Michael, a member of GPC s Board of Directors and a member of the former committee that advised Holdings and its partners, also serves on the Board of Directors of The Clorox Company, which is a large customer of the Company. Included in current assets at June 30, 2011, and December 31, 2010, were receivables from The Clorox Company of $4.6 million and $1.1 million, respectively. Included in net sales for the three months ended June 30, 2011 and 2010, were net sales to The Clorox Company of $18.2 million and $13.5 million, respectively, and for the six months ended June 30, 2011 and 2010, were $35.9 million and $24.0 million, respectively.

Pinnacle Foods, which is owned by Blackstone, is a customer of the Company. Included in net sales for the three months ended June 30, 2011 and 2010, were net sales to Pinnacle Foods of $3.5 million and $1.6 million, respectively, and for the six months ended June 30, 2011 and 2010, were $7.2 million and $3.3 million, respectively.

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

20. Environmental matters

As a result of the Company closing its plant located in Edison, New Jersey, the Company is subject to New Jersey s Industrial Site Recovery Act (ISRA). The Company acquired this facility from Owens-Illinois, Inc. in 2004. ISRA is an environmental law that specifies a process of reporting to the New Jersey Department of Environmental Protection (NJDEP) and, in some situations, investigating, cleaning up and/or taking other measures with respect to environmental conditions that may exist at an industrial establishment that has been shut down or is being transferred. The Company is in the process of implementing its obligations under ISRA regarding this facility. The Company has recorded a preliminary reserve in 2010 of $0.4 million for this obligation and has recorded no additional expense for the six months ended June 30, 2011. This amount may change based on results of additional investigation expected to be undertaken for NJDEP, however, the Company does not believe that such changes will have a significant impact on the results of operations.

21. Earnings per share

The following are reconciliations of net (loss) income attributable to GPC stockholders used to calculate basic and diluted (loss) earnings per share.

The following summarizes loss per share for the three months ended June 30, 2011 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic loss per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted loss per share
Numerator:					
Net loss	$ (26,604)	$ (1,835)	$ (28,439)	$	$ (28,439)
Denominator:					
Weighted average number of GPC shares outstanding(3)(4)			66,457,589		66,457,589
			Basic		**Diluted**
Loss per share:					
Net loss attributable to GPC stockholders			$ (0.43)		$ (0.43)

F-573

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

21. Earnings per share (continued)

The following summarizes earnings per share for the three months ended June 30, 2010 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic earnings per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted earnings per share
Numerator:					
Net income	$ 37,800	$ (4,264)	$ 33,536	$ (671)	$ 32,865
Denominator:					
Weighted average number of GPC shares outstanding(3)(4)			62,555,962		62,555,962
			Basic		**Diluted**
Earnings per share:					
Net income attributable to GPC stockholders			$ 0.54		$ 0.53

The following summarizes loss per share for the six months ended June 30, 2011 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic loss per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted loss per share

Numerator:					
Net loss	$ (18,506)	$ (2,849)	$ (21,355)	$	$ (21,355)
Denominator:					
Weighted average number of GPC shares outstanding(3)(4)			65,873,577		65,873,577
			Basic		**Diluted**
Loss per share:					
Net loss attributable to GPC stockholders			$ (0.32)		$ (0.32)

F-574

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

21. Earnings per share (continued)

The following summarizes earnings per share for the six months ended June 30, 2010 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	attributable to GPC stockholders for computation of basic earnings per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted earnings per share
Numerator:					
Net income	$ 13,289	$ (1,974)	$ 11,315	$ (464)	$ 10,851
Denominator:					
Weighted average number of GPC shares outstanding(3)(4)			57,780,042		57,780,042
			Basic		**Diluted**
Earnings per share:					
Net income attributable to GPC stockholders			$ 0.20		$ 0.19

(1) The allocation of earnings is based on the noncontrolling interests relative ownership percentage.

(2) Holdings adjustment is based on incremental earnings that would be attributable to those potentially dilutive options to purchase partnership units on an as-if converted basis. For the three months ended June 30, 2011 and 2010, and the six months ended June 30, 2011 and 2010, 2,255,297, 722,112, 2,255,297 and 722,112 potential options to purchase partnership units, respectively, have been excluded as the options are either antidilutive or as a result of the related contingency not being met as of the reporting dates. Regarding the contingency, options that contain a contingency are those which vest and become exercisable upon the attainment of certain financial performance goals associated with a sale by Blackstone of 75% of its original ownership interest in the Company.

(3) In conjunction with the IPO, and as further discussed in Note 22, the Graham Family entered into an Exchange Agreement. For the three months ended June 30, 2011 and 2010, and the six months ended June 30, 2011 and 2010, 2,692,525, 6,298,288, 2,692,525 and 6,298,288 of exchange rights, respectively, were excluded from

diluted (loss) earnings per share as the effects were anti-dilutive.

(4) For the three months ended June 30, 2011 and 2010, and the six months ended June 30, 2011 and 2010, 848,572, 803,088, 848,572 and 803,088 potential options to purchase GPC common stock, respectively, were excluded from diluted (loss) earnings per share as the effects were anti-dilutive.

22. Capital stock and changes in equity (deficit)

On February 10, 2010, the Company completed its IPO and on February 11, 2010, its stock began trading on the New York Stock Exchange under the symbol GRM. In connection with the IPO, the Company, on February 4, 2010, increased the number of authorized shares of $0.01 par value common stock to 500,000,000 and of $0.01 par value preferred stock to 100,000,000, and effected a 1,465.4874-for-one stock split of its shares of common stock. On February 10, 2010, and in connection with the IPO, the Company issued 16,666,667 of its registered common stock at the initial public offering price of $10.00 per share, less underwriters discount and expenses.

Additionally, as part of the IPO, the Graham Family entered into an Exchange Agreement. Under the Exchange Agreement, the Graham Family and certain permitted transferees may, subject to specific terms, exchange their limited partnership units in Holdings for shares of the Company s common stock at any time

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

22. Capital stock and changes in equity (deficit) (continued)

and from time to time on a one-for-one basis, subject to customary conversion rate adjustments for splits, stock dividends and reclassifications. Under this Exchange Agreement, entities controlled by the Graham Family and certain of their permitted transferees exercised their rights in the first quarter of 2010 to exchange 1,324,900 limited partnership units of Holdings for 1,324,900 shares of the Company s common stock. Additionally, under this Exchange Agreement, entities controlled by the Graham Family and certain of their permitted transferees exercised their rights in January 2011 to exchange 1,766,681 limited partnership units of Holdings for 1,766,681 shares of the Company s common stock, in May 2011 to exchange 1,000,000 limited partnership units of Holdings for 1,000,000 shares of the Company s common stock, and in June 2011 to exchange 839,082 limited partnership units of Holdings for 839,082 shares of the Company s common stock. The Company has also entered into Management Exchange Agreements, which provide for similar rights to management to exchange limited partnership units of Holdings obtained on exercise of outstanding options for shares of the Company s common stock.

On March 11, 2010, the underwriters of the IPO partially exercised their option to purchase additional shares of common stock from the Company and purchased 1,565,600 shares of registered common stock at the initial public offering price of $10.00 per share, less underwriters discount (the Underwriters Allotment). The Underwriters Allotment closed on March 16, 2010.

Changes in equity (deficit) for the six months ended June 30, 2011 and 2010, are as follows (in thousands, except share amounts):

	Common stock		Additional paid-in	Retained earnings	Notes and interest receivable for ownership	Accumulated other comprehensive income	Graham Packaging Company Inc. stockholders equity	Non-controlling	Equity
	Shares	Amount	capital	(deficit)	interests	(loss)	(deficit)	interests	(deficit)
nsolidated ance at uary 1, 2011	63,311,512	$ 633	$ 459,422	$ (977,318)	$ (4,838)	$ (22,508)	$ (544,609)	$ 13,885	$ (530,72
t (loss) ome				(21,355)			(21,355)	2,849	(18,50
ner nprehensive ome						20,266	20,266	1,394	21,66
ck npensation oense			468				468	30	49
								6,421	6,42

its of ldings ued under mpensation ns									
erest on es eivable					(199)		(199)		(19
mmon stock ued under change eements	4,443,312	45	6,483	6,011		2,430	14,969	(14,969)	
nsolidated ance at ne 30, 2011	67,754,824	$ 678	$ 466,373	$ (992,662)	$ (5,037)	$ 188	$ (530,460)	$ 9,610	$ (520,85

F-576

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

22. Capital stock and changes in equity (deficit) (continued)

	Common stock		Additional paid-in	Retained earnings	Notes and interest receivable for ownership	Accumulated other comprehensive income	Graham Packaging Company Inc. stockholders equity	Non-controlling	Equity
	Shares	Amount	capital	(deficit)	interests	(loss)	(deficit)	interests	(deficit)
nsolidated ance at uary 1, 2010	42,998,786	$ 430	$ 297,470	$ (1,032,887)	$ (6,353)	$ (31,123)	$ (772,463)	$ 9,349	$ (763,11
income				11,315			11,315	1,974	13,28
er nprehensive s						(17,803)	(17,803)	(1,768)	(19,57
ck npensation ense			585				585	71	65
erest on es eivable					(151)		(151)		(15
proceeds m issuance ommon ck	18,232,267	183	162,975				163,158		163,15
mmon stock ued under hange eements	1,324,909	13	50	857		2,393	3,313	(3,313)	
ial igations er income receivable eements			(6,500)				(6,500)		(6,50
nsolidated ance at e 30, 2010	62,555,962	$ 626	$ 454,580	$ (1,020,715)	$ (6,504)	$ (46,533)	$ (618,546)	$ 6,313	$ (612,23

23. Stock-based compensation

The Company, from time to time, has granted options to purchase partnership units of Holdings, which may be exchanged for shares of the Company s common stock, and options to purchase shares of the Company s common stock. Each share of the Company s common stock corresponds to one unit of Holdings partnership interest.

A summary of the changes in the unit options outstanding under the option plans for the six months ended June 30, 2011, is as follows:

	Units under options	Weighted average exercise price/option	Weighted average remaining contractual term (In years)	Aggregate intrinsic value (In millions)
Outstanding at January 1, 2011	3,099,462	$ 8.05		
Granted				
Exercised	(837,549)	8.83		
Forfeited	(6,616)	12.19		
Outstanding at June 30, 2011	2,255,297	$ 7.76	6.1	$ 37.8
Vested or expected to vest	1,628,018	$ 8.14	5.8	$ 26.6
Exercisable at June 30, 2011	1,265,922	$ 7.94	5.6	$ 21.0

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

23. Stock-based compensation (continued)

A summary of the changes in the stock options outstanding under the option plans for the six months ended June 30, 2011, is as follows:

	Common stock under options	Weighted average exercise price/option	Weighted average remaining contractual term (In years)	Aggregate intrinsic value (In millions)
Outstanding at January 1, 2011	835,522	$ 10.18		
Granted	13,050(1)	16.72		
Exercised				
Forfeited				
Outstanding at June 30, 2011	848,572	$ 10.28	8.7	$ 12.1
Vested or expected to vest	848,572	$ 10.28	8.7	$ 12.1
Exercisable at June 30, 2011	205,806	$ 10.16	8.6	$ 3.0

(1) For the options granted in 2011, the Company will incur incremental compensation expense of approximately $0.1 million over the four-year vesting period of the options.

24. Proposed merger

On June 17, 2011, the Company, Reynolds Group Holdings Limited (Reynolds) and Bucephalas Acquisition Corp., an indirect wholly-owned subsidiary of Reynolds (Merger Sub), entered into an Agreement and Plan of Merger and an amendment thereto (as amended, the Merger Agreement). Upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and an indirect wholly-owned subsidiary of Reynolds (the Merger). Prior to entering into the Merger Agreement, the Company terminated the previously announced merger agreement (the Prior Merger Agreement) with Silgan. In accordance with the terms of the Prior Merger Agreement, the Company paid a $39.5 million termination fee to Silgan.

As a result of the Merger, each outstanding share of the Company s common stock, other than shares owned by Reynolds or the Company (which will be cancelled) and other than those shares with respect to which appraisal rights are properly exercised and not withdrawn, will be converted into the right to receive $25.50 in cash, without interest. In addition, immediately prior to or contemporaneously with the effective time of the Merger, Holdings will engage in a merger that will result in the equity holders of Holdings (other than GPC) receiving the same cash consideration as is payable in the Merger. Also, pursuant to the terms of the equity incentive plans of the Company and corresponding award agreements with its officers and directors, upon the completion of the Merger, all stock options that vest based solely on the passage of time and continued employment and all stock options that vest upon attainment of certain performance goals will become fully vested if the optionholder remains employed by the Company until the effective time of the Merger. At the effective time of the Merger, all such options will be cancelled and converted into the right of the holder to receive an amount in cash, without interest and less any applicable withholding tax, equal to the product of the total number of shares (or share equivalents) of the Company s common stock multiplied by the excess, if any, of $25.50 over the exercise price per share (or share equivalent) subject to such option.

At the closing of the Merger, Reynolds is required to pay, or cause to be paid, a cash payment of $245 million pursuant to contractual change in control provisions in the ITRs.

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

24. Proposed merger (continued)

The consummation of the Merger was subject to the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which waiting period expired on July 25, 2011) and the receipt of certain foreign antitrust approvals and other customary closing conditions. Blackstone, which owned approximately 60% of the outstanding shares of the Company s common stock on June 17, 2011, executed a written consent on that date to approve the transaction, thereby providing the required stockholder approval for the Merger. No further action is required to approve the Merger by the stockholders of the Company or by the stockholders of Reynolds. Prior to the amendment to the Merger Agreement, the Merger Agreement provided Reynolds with the right to terminate the Merger Agreement if Blackstone did not execute and deliver a written consent to approve the transaction within 3 days of execution of the Merger Agreement. Under the terms of the amendment to the Merger Agreement, the merger consideration was increased from $25.00 to $25.50 in cash per share of the Company s common stock, in consideration for the Company s agreement to a material shortening of the deadline for delivery of Blackstone s written consent approving the Merger.

25. Subsequent events

<u>Tender offer and consent solicitations</u>

On July 7, 2011, the Company announced that the Operating Company and CapCo I (collectively, the Issuers) commenced tender offers for any and all of their Notes outstanding and solicitation of consents of holders of each series of Notes to make certain amendments to the indentures governing the Notes. The Issuers established 5:00 p.m., New York City time, July 6, 2011, as the record date for the consent solicitations.

The purpose of the tender offers and consent solicitations is to collectively offer holders of Notes an opportunity to receive consideration that represents a premium to the consideration that they would receive if they were to require the Issuers to purchase their Notes in a change of control offer (as defined in the applicable indentures) resulting from the pending Merger of the Company with Reynolds, assuming a 30-day notice period following the change of control, and to provide Reynolds and its affiliates with Permitted Holder status under the indentures governing the Notes that is substantially similar to the status that they would have if a change of control offer were consummated, as more fully described in the Offer to Purchase and Consent Solicitation Statement, dated July 6, 2011 (the Statement). In the event that the proposed amendments are adopted with respect to a series of Notes, the Issuers will not be required to make a change of control offer for the untendered Notes of that series of Notes in connection with the Merger or with respect to the ownership of the Company and its subsidiaries by Reynolds and its affiliates.

The tender offers and consent solicitations were requested by Reynolds and are being conducted in connection with the Merger. The tender offers and consent solicitations are conditioned on consummation of the Merger, which is itself subject to customary closing conditions, including foreign regulatory approvals. In addition, the tender offers and consent solicitations are conditioned on the receipt of requisite consents to approve the proposed amendments (with respect to each series of Notes, consents in respect of at least a majority in principal amount of the then outstanding Notes issued under the applicable indenture) and the general conditions set forth in the Statement.

Under the terms of the tender offers and consent solicitations, a holder of Notes is entitled to receive an amount paid in cash equal to $1,020 per $1,000 principal amount of each series of Notes, plus accrued and unpaid interest from the last applicable interest payment date to, but not including, the date of settlement (which the Issuers intend to coincide with the closing of the Merger), only if (i) such Notes were held by such holder as of the record date for the consent solicitations and (ii) such holder validly tendered such Notes and validly delivered consents with respect to such Notes prior to 5:00 p.m., New York City time, on July 19,

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

25. Subsequent events (continued)

2011 (the Early Tender/Consent Deadline) (without validly withdrawing such Notes or revoking such consents). The total consideration included (i) an early tender premium of $10 per $1,000 principal amount of Notes, payable to holders who tendered their Notes and (ii) a consent fee of $15 per $1,000 principal amount of Notes, payable only to holders of Notes as of the record date who delivered their consents with respect to Notes held as of the record date, in each case, prior to the Early Tender/Consent Deadline and without validly withdrawing such Notes or revoking such consents.

Holders who validly tender their Notes after the Early Tender/Consent Deadline (and do not validly withdraw such Notes) will receive $995 per $1,000 principal amount of Notes tendered, plus accrued and unpaid interest to, but not including, the date of settlement.

The withdrawal deadline for the tender of Notes was 5:00 p.m., New York City time, on July 19, 2011, unless extended or earlier terminated. The tender offers were initially scheduled to expire at 8:00 a.m., New York City time, on August 4, 2011, unless extended or earlier terminated. On August 4, 2011, the Issuers extended the expiration time of the tender offer for their Senior Subordinated Notes to 5:00 p.m., New York City time, on August 19, 2011, unless further extended or earlier terminated. The Issuers intend for the date of settlement to coincide with the closing of the Merger. Consequently, the Issuers may extend the expiration time and the final acceptance date for tenders as necessary for this to occur. Subject to the satisfaction or waiver of the conditions to the Merger, the Merger is currently expected to close in the third calendar quarter of this year.

Deliveries of consents with respect to any series of Notes may be validly revoked prior to the time that holders of at least a majority in principal amount of such series of Notes deliver their consents, unless such time is extended. Subject to applicable law, the Issuers reserve the right to terminate or amend in any respect any or all of the tender offers and consent solicitations.

Amendment to tender offer and consent solicitations

On July 18, 2011, the Issuers amended the terms of the tender offers and consent solicitations for their Senior Notes set forth in the Statement and the related Consent Letter (as defined in the Statement).

The amendments:

- increased the consent fee from $15 to $25 per $1,000 principal amount of Senior Notes for which consents were validly delivered prior to the Early Tender/Consent Deadline;

- extended the Early Tender/Consent Deadline applicable to the tender offers and consent solicitations for the Senior Notes previously scheduled for 5:00 p.m., New York City time, on July 19, 2011, to 5:00 p.m., New York City time, on July 20, 2011; and

- decreased a base offer consideration offered to holders of the Senior Notes who validly tender their Senior Notes from $995 to $985 per $1,000 principal amount of Senior Notes tendered.

The total consideration offered for the Senior Notes remained unchanged at $1,020 per $1,000 principal amount of Senior Notes validly tendered, and related consents validly delivered, prior to the Early Tender/Consent Deadline.

The Issuers did not change any of the terms of the tender offer and consent solicitation related to their Senior Subordinated Notes.

On July 19, 2011, the Company announced that the Issuers received the Requisite Consents (as defined in the Statement) from holders of the Senior Subordinated Notes to adopt the proposed amendments that were the subject of the consent solicitation for such Notes. The Issuers did not receive the Requisite Consents from

Table of Contents

Graham Packaging Company Inc.

Notes to condensed consolidated financial statements (Unaudited) (Continued)

25. Subsequent events (continued)

holders of the Senior Notes to adopt the proposed amendments that were the subject of the consent solicitation for such Notes.

Acquisition

On July 6, 2011, the Company completed its acquisition of the assets of Techne Technipack Engineering Italia S.r.l. for total consideration of 8.8 million.

26. Satisfaction and discharge of Notes and condensed guarantor data

Following the consummation of the merger between the Company and Reynolds on September 8, 2011, and the satisfaction and discharge of the Notes on March 16, 2012, the Company and certain of its subsidiaries (the Guarantor Subsidiaries) became guarantors of certain notes issued by Reynolds (the Reynolds Notes) by executing supplemental indentures to the indentures governing the Reynolds Notes. As a result of the consummation of the merger on September 8, 2011 as discussed above, each of the Guarantor Subsidiaries became 100% owned by Reynolds Group Holdings Limited. The Notes are guaranteed to the extent permitted by law and are subject to certain customary guarantee release provisions set forth in the indentures governing the Notes on a joint and several basis by each Guarantor Subsidiary.

The following condensed consolidating information presents, in separate columns, the condensed consolidating balance sheet as of June 30, 2011, and the related condensed consolidating statements of operations and condensed consolidating statements of cash flows for the six months ended June 30, 2011 and 2010, for (i) the Guarantors, including the Company and the Guarantor Subsidiaries on a combined basis, with their investments in other subsidiaries recorded under the equity method, (ii) the Non-Guarantors on a combined basis, (iii) eliminating entries necessary to consolidate the Guarantors and the Non-Guarantors, and (iv) the Company on a consolidated basis.

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating balance sheet
As of June 30, 2011

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Assets				
Current assets:				
Cash and cash equivalents	$ 117,631	$ 44,428	$	$ 162,059
Accounts receivable, net	222,862	92,907		315,769
Inventories	216,197	56,133		272,330
Deferred income taxes	23,864	6,932		30,796
Prepaid expenses and other current assets	23,128	17,417		40,545
Total current assets	603,682	217,817		821,499
Property, plant and equipment, net	900,306	307,287		1,207,593
Intangible assets, net	180,367	6,272		186,639
Goodwill	602,329	55,926		658,255
Net intercompany	117,903		(117,903)	
Investment in subsidiaries	335,958		(335,958)	
Other non-current assets	57,445	16,104		73,549
Total assets	2,797,990	$ 603,406	$ (453,861)	$ 2,947,535
Liabilities and Equity (Deficit)				
Current liabilities:				
Current portion of long-term debt	$ 16,649	$ 14,950	$	$ 31,599
Accounts payable	207,390	37,867		245,257
Accrued expenses and other current liabilities	152,397	53,500		205,897
Deferred revenue	34,802	5,492		40,294
Total current liabilities	411,238	111,809		523,047
Long-term debt	2,786,644	4,340		2,790,984
Deferred income taxes	28,417	12,797		41,214
Other non-current liabilities	92,541	20,599		113,140
Net intercompany		117,903	(117,903)	
Commitments and contingent liabilities				
Equity (deficit):				
Graham Packaging Company Inc. stockholders equity (deficit):				
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 0 shares issued and outstanding				
Common stock, $0.01 par value, 500,000,000 shares authorized, shares issued	678			678

and outstanding 67,754,824				
Additional paid-in capital	466,373			466,373
Retained earnings (deficit)	(992,662)			(992,662)
Notes and interest receivable for ownership interests	(5,037)			(5,037)
Accumulated other comprehensive income (loss)	188			188
Graham Packaging Company Inc. stockholders equity (deficit)	(530,460)			(530,460)
Noncontrolling interests	9,610			9,610
Equity (deficit)	(520,850)			(520,850)
Partners capital (deficit)		335,958	(335,958)	
Total liabilities and equity (deficit)	$ 2,797,990	$ 603,406	$ (453,861)	$ 2,947,535

F-582

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of operations
For the six months ended June 30, 2011

	Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In thousands)			
Net sales	$ 1,262,498	$ 315,237	$	$ 1,577,735
Cost of goods sold	1,065,323	272,984		1,338,307
Gross profit	197,175	42,253		239,428
Selling, general and administrative expenses	97,577	16,661		114,238
Asset impairment charges	1,621	857		2,478
Net loss (gain) on disposal of property, plant and equipment	564	(659)		(95)
Operating income	97,413	25,394		122,807
Interest expense, net	103,168	2,358		105,526
Increase in income tax receivable obligations	12,567			12,567
Other (income) expense, net	(4,820)	4,396		(424)
Equity in earnings of subsidiaries	(9,634)		9,634	
(Loss) income before income taxes	(3,868)	18,640	(9,634)	5,138
Income tax provision	14,638	9,006		23,644
Net (loss) income	(18,506)	9,634	(9,634)	(18,506)
Net income attributable to noncontrolling interests	2,849			2,849
Net (loss) income attributable to Graham Packaging Company Inc. stockholders	$ (21,355)	$ 9,634	$ (9,634)	$ (21,355)

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of operations
For the six months ended June 30, 2010

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Net sales	$ 980,211	$ 258,197	$	$ 1,238,408
Cost of goods sold	796,780	218,712		1,015,492
Gross profit	183,431	39,485		222,916
Selling, general and administrative expenses	82,703	13,238		95,941
Asset impairment charges	2,116	676		2,792
Net loss on disposal of property, plant and equipment	704	349		1,053
Operating income	97,908	25,222		123,130
Interest expense, net	85,134	1,843		86,977
Net loss on debt extinguishment	2,664			2,664
Increase in income tax receivable obligations	4,900			4,900
Other (income) expense, net	(3,990)	7,202		3,212
Equity in earnings of subsidiaries	(11,076)		11,076	
Income (loss) before income taxes	20,276	16,177	(11,076)	25,377
Income tax provision	6,987	5,101		12,088
Net income (loss)	13,289	11,076	(11,076)	13,289
Net income attributable to noncontrolling interests	1,974			1,974
Net income (loss) attributable to Graham Packaging Company Inc. stockholders	$ 11,315	$ 11,076	$ (11,076)	$ 11,315

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of cash flows
For the six months ended June 30, 2011

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Operating activities:				
Net cash provided by operating activities	$ 74,491	$ 17,547	$	$ 92,038
Investing activities:				
Net cash paid for property, plant and equipment	(58,480)	(20,096)		(78,576)
Acquisitions of/investments in businesses, net of cash acquired	(9,965)	9,965		
Intercompany investing activities	(197)	1,250	(1,053)	
Cash paid for sale of business	(61)			(61)
Net cash used in investing activities	(68,703)	(8,881)	(1,053)	(78,637)
Financing activities:				
Proceeds from issuance of long-term debt		27,072		27,072
Payment of long-term debt	(8,671)	(30,228)		(38,899)
Debt issuance fees	(462)			(462)
Intercompany financing activities	(1,250)	197	1,053	
Proceeds from issuance of ownership interests	6,421			6,421
Net cash (used in) provided by financing activities	(3,962)	(2,959)	1,053	(5,868)
Effect of exchange rate changes on cash and cash equivalents		1,562		1,562
Increase in cash and cash equivalents	1,826	7,269		9,095
Cash and cash equivalents at beginning of period	115,805	37,159		152,964
Cash and cash equivalents at end of period	$ 117,631	$ 44,428	$	$ 162,059

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of cash flows
For the six months ended June 30, 2010

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Operating activities:				
Net cash provided by operating activities	$ 67,754	$ 31,448	$	$ 99,202
Investing activities:				
Net cash paid for property, plant and equipment	(39,986)	(35,696)		(75,682)
Intercompany investing activities	(9,000)		9,000	
Net cash (used in) provided by investing activities	(48,986)	(35,696)	9,000	(75,682)
Financing activities:				
Proceeds from issuance of long-term debt	245	42,273		42,518
Payment of long-term debt	(200,995)	(39,483)		(240,478)
Intercompany financing activities		9,000	(9,000)	
Debt issuance fees	(648)			(648)
Proceeds from the issuance of common stock, net of underwriting discount of $11.3 million	171,055			171,055
Payment of other expenses for the issuance of common stock	(5,419)			(5,419)
Net cash (used in) provided by financing activities	(35,762)	11,790	(9,000)	(32,972)
Effect of exchange rate changes on cash and cash equivalents	30	(2,274)		(2,244)
(Decrease) increase in cash and cash equivalents	(16,964)	5,268		(11,696)
Cash and cash equivalents at beginning of period	124,265	23,543		147,808
Cash and cash equivalents at end of period	$ 107,301	$ 28,811	$	$ 136,112

Table of Contents

Graham Packaging Company Inc.

Financial statements for the period ended

December 31, 2010

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Graham Packaging Company Inc.
York, Pennsylvania

We have audited the accompanying consolidated balance sheets of Graham Packaging Company, Inc. and subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, comprehensive income (loss), equity (deficit) and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2011 (not included herein) expressed an unqualified opinion on the Company s internal control over financial reporting.

As discussed in Note 1 to the consolidated financial statements, on January 1, 2009, the Company adopted a new accounting and reporting standard related to non-controlling interest.

/s/ DELOITTE & TOUCHE LLP

Philadelphia, Pennsylvania
February 24, 2011
(October 19, 2011, as to Note 30, and
April 6, 2012, as to Note 31)

Table of Contents

Graham Packaging Company Inc.

Consolidated balance sheets

	December 31, 2010	December 31, 2009
	(In thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 152,964	$ 147,808
Accounts receivable, net	216,368	191,685
Inventories	247,166	194,702
Deferred income taxes	14,616	3,446
Prepaid expenses and other current assets	42,363	58,297
Total current assets	673,477	595,938
Property, plant and equipment	2,248,597	1,974,152
Less accumulated depreciation and amortization	1,045,455	956,374
Property, plant and equipment, net	1,203,142	1,017,778
Intangible assets, net	195,780	43,012
Goodwill	643,064	437,058
Other non-current assets	91,364	32,506
Total assets	$ 2,806,827	$ 2,126,292
Liabilities and Equity (Deficit)		
Current liabilities:		
Current portion of long-term debt	$ 34,007	$ 100,657
Accounts payable	142,585	111,013
Accrued expenses and other current liabilities	196,432	186,806
Deferred revenue	32,471	30,245
Total current liabilities	405,495	428,721
Long-term debt	2,798,824	2,336,206
Deferred income taxes	32,428	24,625
Other non-current liabilities	100,804	99,854
Commitments and contingent liabilities (see Notes 22 and 23)		
Equity (deficit):		
Graham Packaging Company Inc. stockholders equity (deficit):		
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 0 shares issued and outstanding		
Common stock, $0.01 par value, 500,000,000 shares authorized, shares issued and outstanding 63,311,512 and 42,998,786	633	430
Additional paid-in capital	459,422	297,470

Retained earnings (deficit)	(977,318)	(1,032,887)
Notes and interest receivable for ownership interests	(4,838)	(6,353)
Accumulated other comprehensive income (loss)	(22,508)	(31,123)
Graham Packaging Company Inc. stockholders equity (deficit)	(544,609)	(772,463)
Noncontrolling interests	13,885	9,349
Equity (deficit)	(530,724)	(763,114)
Total liabilities and equity (deficit)	$ 2,806,827	$ 2,126,292

See accompanying notes to consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Consolidated statements of operations

	Year ended December 31,		
	2010	2009	2008
	(In thousands, except share and per share data)		
Net sales	$ 2,512,733	$ 2,271,034	$ 2,558,954
Cost of goods sold	2,076,284	1,866,585	2,183,286
Gross profit	436,449	404,449	375,668
Selling, general and administrative expenses	181,359	122,490	127,568
Asset impairment charges	9,621	41,826	96,064
Net loss on disposal of property, plant and equipment	3,758	6,452	6,834
Operating income	241,711	233,681	145,202
Interest expense	185,581	176,861	180,042
Interest income	(663)	(1,103)	(804)
Net loss on debt extinguishment	31,132	8,726	
Write-off of amounts in accumulated other comprehensive income related to interest rate swaps	6,988		
Increase in income tax receivable obligations	4,971		
Other expense (income), net	2,613	(1,551)	404
Income (loss) before income taxes	11,089	50,748	(34,440)
Income tax (benefit) provision	(50,700)	27,014	12,977
Income (loss) from continuing operations	61,789	23,734	(47,417)
Loss from discontinued operations		(9,481)	(10,506)
Net income (loss)	61,789	14,253	(57,923)
Net income attributable to noncontrolling interests	7,077	3,174	
Net income (loss) attributable to Graham Packaging Company Inc. stockholders	$ 54,712	$ 11,079	$ (57,923)
Earnings per share:			
Income (loss) from continuing operations per share:			
Basic	$ 0.91	$ 0.45	$ (1.10)
Diluted	$ 0.89	$ 0.44	$ (1.10)
Loss from discontinued operations per share:			
Basic	$	$ (0.19)	$ (0.25)
Diluted	$	$ (0.19)	$ (0.25)
Net income (loss) attributable to Graham Packaging Company Inc. stockholders per share:			
Basic	$ 0.91	$ 0.26	$ (1.35)
Diluted	$ 0.89	$ 0.25	$ (1.35)

Weighted average shares outstanding:			
Basic	60,334,473	42,981,204	42,975,419
Diluted	61,410,535	42,985,179	42,975,419

See accompanying notes to consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Consolidated statements of comprehensive income (loss)

	Year ended December 31, 2010	2009	2008
	(In thousands)		
Net income (loss)	$ 61,789	$ 14,253	$ (57,923)
Other comprehensive income (loss):			
Changes in fair value of derivatives designated and accounted for as cash flow hedges (net of tax of $0 for all years presented)		490	(22,361)
Amortization of amounts in accumulated other comprehensive income (loss) as of the date the Company discontinued hedge accounting for its interest rate collar and swap agreements (net of tax of $0 for all years presented)(1)	12,956	9,621	
Amortization of prior service costs and unrealized actuarial losses included in net periodic benefit costs for pension and post-retirement plans (net of tax benefits of $206, $118 and $342 for 2010, 2009 and 2008, respectively)	(4,118)	10,432	(29,028)
Foreign currency translation adjustments (net of tax benefits of $90, $22 and $985 for 2010, 2009 and 2008, respectively)	(1,966)	19,579	(65,941)
Total other comprehensive income (loss)	6,872	40,122	(117,330)
Comprehensive income (loss)	68,661	54,375	(175,253)
Comprehensive income attributable to noncontrolling interests	7,727	9,215	
Comprehensive income (loss) attributable to Graham Packaging Company Inc. stockholders	$ 60,934	$ 45,160	$ (175,253)

(1) Amount for the year ended December 31, 2010, includes the write-off of the remaining amount of $7.0 million as a result of the extinguishment of the Term Loan B (as defined herein) on September 23, 2010.

See accompanying notes to consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Consolidated statements of equity (deficit)

	Common stock				Notes and interest		Graham Packaging Company Inc.		
	Shares	Amount	Additional paid-in capital	Retained earnings (deficit)	receivable for ownership interests	Accumulated other comprehensive income (loss)	stockholders equity (deficit)	Non-controlling interests	Equity (deficit
	(In thousands, except share data)								
solidated nce at ary 1, 2008	42,975,419	$ 430	$ 293,850	$ (986,043)	$ (6,171)	$ 52,126	$ (645,808)	$	$ (645,8
loss for the				(57,923)			(57,923)		(57,9
er prehensive						(117,330)	(117,330)		(117,3
k pensation ense			2,560				2,560		2,5
rest on s ivable					(121)		(121)		(1
ty saction of olidated idiary			240				240		2
solidated nce at ember 31, 8	42,975,419	430	296,650	(1,043,966)	(6,292)	(65,204)	(818,382)		(818,3
income for year				11,079			11,079	3,174	14,2
er prehensive me						34,081	34,081	6,041	40,1
k pensation ense			761				761	134	8
					(273)		(273)		(2

rest on s ivable									
ayment of s ivable					387		387		3
hase of ership rests					(175)		(175)		(1
proceeds n net ance of ership rests	23,367		59				59		
solidated nce at ember 31, 9	42,998,786	430	297,470	(1,032,887)	(6,353)	(31,123)	(772,463)	9,349	(763,1
income for year				54,712			54,712	7,077	61,7
er prehensive me						6,222	6,222	650	6,8
k pensation ense			1,090				1,090	122	1,2
s of dings (as ned herein) ed under pensation s								4,344	4,3
rest on s ivable					(367)		(367)		(3
ayment of s ivable					1,882		1,882		1,8
proceeds n initial ance of mon stock	18,232,267	183	162,975				163,158		163,1
mon stock ed under hange ements	2,080,459	20	4,387	857		2,393	7,657	(7,657)	
al gations			(6,500)				(6,500)		(6,5
er income receivable									

ements

solidated nce at ember 31, 0	63,311,512	$	633	$	459,422	$	(977,318)	$	(4,838)	$	(22,508)	$	(544,609)	$	13,885	$	(530,7	

See accompanying notes to consolidated financial statements.

Table of Contents

Graham Packaging Company Inc.

Consolidated statements of cash flows

	Year ended December 31, 2010	2009	2008
	(In thousands)		
Operating activities:			
Net income (loss)	$ 61,789	$ 14,253	$ (57,923)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	171,088	159,417	177,784
Amortization of debt issuance fees	6,109	7,961	10,343
Accretion of senior unsecured notes	476	47	
Net loss on debt extinguishment	31,132	8,726	
Write-off of amounts in accumulated other comprehensive income related to interest rate swaps	6,988		
Net loss on disposal of property, plant and equipment	3,758	9,991	6,834
Pension expense	3,151	5,118	2,625
Asset impairment charges	9,621	47,721	103,922
Unrealized loss on termination of cash flow hedge accounting	(2,973)	3,798	
Stock compensation expense	1,212	895	2,560
Equity income from unconsolidated subsidiaries	(49)	(4)	
Deferred tax (benefit) provision	(65,925)	9,082	932
Increase in income tax receivable obligations	4,971		
Foreign currency transaction (gain) loss	(191)	254	(1,621)
Interest receivable on loans to owners	(367)	(273)	(121)
Changes in operating assets and liabilities, net of acquisitions of businesses:			
Accounts receivable	14,134	42,203	1,651
Inventories	(14,369)	28,600	30,674
Prepaid expenses and other current assets	14,402	1,459	(12,195)
Other non-current assets	(11,633)	(4,599)	(6,426)
Accounts payable and accrued expenses	9,228	430	(41,299)
Pension contributions	(7,339)	(16,328)	(7,991)
Other non-current liabilities	(5,126)	6,718	1,452
Net cash provided by operating activities	230,087	325,469	211,201
Investing activities:			
Cash paid for property, plant and equipment	(157,119)	(146,011)	(148,576)
Proceeds from sale of property, plant and equipment	631	984	4,156
Acquisitions of/investments in businesses, net of cash acquired	(579,049)	(1,385)	
Cash paid for sale of businesses	(55)	(4,118)	
Net cash used in investing activities	(735,592)	(150,530)	(144,420)

Financing activities:			
Proceeds from issuance of long-term debt	708,841	311,889	328,182
Payment of long-term debt	(333,463)	(355,847)	(362,024)
Debt issuance fees	(35,856)	(27,193)	
Proceeds from the issuance of common stock, net of underwriting discount of $11.3 million	171,055		
Payment of other expenses for the issuance of common stock	(5,669)	(3,023)	
Repayment of notes and interest for ownership interests	1,882	387	
Proceeds from issuance of ownership interests	4,344		240
Net proceeds from net issuance of ownership interests		59	
Purchase of ownership interests		(175)	
Net cash provided by (used in) financing activities	511,134	(73,903)	(33,602)
Effect of exchange rate changes on cash and cash equivalents	(473)	2,893	(7,614)
Increase in cash and cash equivalents	5,156	103,929	25,565
Cash and cash equivalents at beginning of year	147,808	43,879	18,314
Cash and cash equivalents at end of year	$ 152,964	$ 147,808	$ 43,879
Supplemental disclosures:			
Cash paid for interest, net of amounts capitalized	$ 161,122	$ 177,664	$ 169,035
Cash paid for income taxes (net of refunds)	$ 21,064	$ 19,210	$ 9,295
Non-cash investing and financing activities:			
Capital leases	$	$ 1,551	$ 403
Accruals for purchases of property, plant and equipment	$ 10,587	$ 10,469	$ 13,806
Accruals related to acquisitions	$ 826	$	$
Accruals for debt issuance fees	$ 136	$ 335	$

See accompanying notes to consolidated financial statements.

F-593

Graham Packaging Company Inc.

Notes to consolidated financial statements
December 31, 2010

1. Significant accounting policies

Description of business

The Company focuses on the manufacture and sale of value-added plastic packaging products principally to large, multinational companies in the food and beverage, household, personal care/specialty and automotive lubricants product categories. The Company has manufacturing facilities in Argentina, Belgium, Brazil, Canada, China, Finland, France, Mexico, the Netherlands, Poland, Spain, Turkey, the United Kingdom, the United States and Venezuela.

Principles of consolidation

The consolidated financial statements include the operations of Graham Packaging Company Inc. (GPC), formerly BMP/Graham Holdings Corporation, a Delaware corporation formed by Blackstone Capital Partners III Merchant Banking Fund L.P.; BCP/Graham Holdings L.L.C. (BCP and together with GPC, the Equity Investors), a Delaware limited liability company and a wholly-owned subsidiary of GPC; Graham Packaging Holdings Company (Holdings), a Pennsylvania limited partnership, formerly known as Graham Packaging Company; Holdings wholly-owned subsidiary Graham Packaging Company, L.P. (the Operating Company), a Delaware limited partnership, formerly known as Graham Packaging Holdings I, L.P.; and subsidiaries thereof. These entities and assets, as well as other wholly-owned subsidiaries of GPC and Holdings, are referred to collectively as Graham Packaging Company Inc. (the Company).

GPC owned an 88.0% limited partnership interest and BCP owned a 2.9% general partnership interest in Holdings as of December 31, 2010. The Graham Family (defined as Graham Capital Company, GPC Investments, LLC, Graham Alternative Investment Partners I, LP, Graham Engineering Corporation and other entities controlled by Donald C. Graham and his family) owned a 9.0% limited partnership interest in Holdings as of December 31, 2010. A former member of management owned a 0.1% limited partnership interest in Holdings as of December 31, 2010. Additionally, Holdings owns a 99% limited partnership interest in the Operating Company, and GPC Opco GP L.L.C., a wholly-owned subsidiary of Holdings, owns a 1% general partnership interest in the Operating Company.

In addition, the consolidated financial statements of the Company include GPC Capital Corp. I (CapCo I), a wholly-owned subsidiary of the Operating Company, and GPC Capital Corp. II (CapCo II), a wholly-owned subsidiary of Holdings. The purpose of CapCo I is solely to act as co-obligor with the Operating Company under the Notes (as defined herein) and as co-borrower with the Operating Company under the Credit Agreement (as defined herein). CapCo II currently has no obligations under any of the Company s outstanding indebtedness. CapCo I and CapCo II have only nominal assets and do not conduct any independent operations. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

GPC (63.6% owned by Blackstone Capital Partners III Merchant Banking Fund L.P., Blackstone Offshore Capital Partners III L.P. and Blackstone Family Investment Partnership III L.P. (collectively, Blackstone), 0.9% owned by the Graham Family, 0.2% owned by management and 35.3% owned by other investors as of December 31, 2010) has no operations. GPC s only assets are its direct and indirect investments in Holdings and its ownership of BCP. Holdings has no assets, liabilities or operations other than its direct and indirect investments in the Operating Company and its ownership of CapCo II and GPC Opco GP L.L.C. Holdings has fully and unconditionally guaranteed the Notes of the

Operating Company and CapCo I.

Noncontrolling interests

On January 1, 2009, the Company adopted new guidance issued under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810-10, Consolidations. This guidance establishes new standards that govern the accounting for, and reporting of, noncontrolling interests in partially-owned consolidated subsidiaries and the loss of control of subsidiaries. Specifically, the guidance requires that: (1) a noncontrolling interest, previously referred to as minority interest, is to be reported as part of equity in

F-594

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

the consolidated financial statements; (2) losses are to be allocated to a noncontrolling interest even when such allocation might result in a deficit balance, thereby reducing the losses attributed to the controlling interest; (3) changes in ownership interest are to be treated as equity transactions if control is maintained; (4) changes in ownership interest resulting in a gain or loss are to be recognized in earnings if control is gained or lost; and (5) in a business combination the noncontrolling interest s share of net assets acquired is to be recorded at fair value, plus its share of goodwill. The provisions under this guidance are prospective upon adoption, except for the presentation and disclosure requirements. The presentation and disclosure requirements must be applied retrospectively for all periods presented. Accordingly, the Company s Consolidated Balance Sheets as of December 31, 2010 and 2009, and the Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2010, 2009 and 2008, reflect this guidance.

The Company attributes earnings and losses of Holdings to the noncontrolling interests of Holdings based on the noncontrolling interests relative unit ownership percentages. Net income attributable to the noncontrolling interests was $7.1 million and $3.2 million for the years ended December 31, 2010 and 2009, respectively. Net loss attributable to the noncontrolling interests of $8.6 million for the year ended December 31, 2008, has been allocated to the GPC stockholders. As of December 31, 2010, accumulated comprehensive income of $13.9 million attributable to the noncontrolling interests is included in a separate component of equity (deficit). As of December 31, 2010, accumulated losses, incurred prior to the adoption of this guidance, of $69.9 million attributable to the noncontrolling interests have been allocated to the GPC stockholders and are included in the retained deficit.

Revenue recognition

The Company recognizes revenue on product sales in the period when the sales process is complete. This generally occurs when products are shipped to the customer in accordance with terms of an agreement of sale, under which title and risk of loss have been transferred, collectability is reasonably assured and pricing is fixed or determinable. For a small percentage of sales where title and risk of loss pass at point of delivery, the Company recognizes revenue upon delivery to the customer, assuming all other criteria for revenue recognition are met. Sales are recorded net of discounts, allowances and returns. Sales allowances are recorded as a reduction to sales in accordance with the guidance under ASC 605-50, Customer Payments and Incentives. The Company maintains a sales return allowance to reduce sales for estimated future product returns.

Cost of goods sold

Cost of goods sold includes the cost of inventory (materials and conversion costs) sold to customers, shipping and handling costs and warehousing costs. It also includes inbound freight charges, purchasing and receiving costs, quality assurance costs, safety and environmental-related costs, packaging costs, internal transfer costs and other costs of the Company s distribution network.

Selling, general and administrative expenses

Selling, general and administrative expenses include the costs for the Company s sales force and its related expenses, the costs of support functions, including information technology, finance, human resources, legal, global vendor contract services and executive management, and their related expenses and the costs of the Company s research and development activities.

Research and development costs

The Company expenses costs to research, design and develop new packaging products and technologies as incurred. Such costs, net of any reimbursement from customers, were $10.3 million, $9.9 million and $9.6 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

Equity investments

Investments in which the Company owns 20% to 50% of the common stock of, or otherwise exercises significant influence over, an investee are accounted for under the equity method. Under the equity method of accounting, investments are stated at initial cost and are adjusted for subsequent additional investments, the proportionate share of earnings and losses and distributions. The Company reviews the value of equity method investments and records impairment charges in the consolidated statement of operations for any decline in value that is determined to be other-than-temporary. The carrying value of this investment as of each of December 31, 2010 and 2009, was $1.4 million.

On August 12, 2009, the Company purchased a 22% interest in PPI Blow Pack Private Limited, an Indian limited liability company, for $1.4 million which is being accounted for under the equity method of accounting and is reflected in other non-current assets.

Cash and cash equivalents

The Company considers cash and investments with an initial maturity of three months or less when purchased to be cash and cash equivalents. Outstanding checks of $9.6 million and $7.3 million as of December 31, 2010 and 2009, respectively, are included in accounts payable on the Consolidated Balance Sheets.

Accounts receivable

The Company maintains allowances for estimated losses resulting from the inability of specific customers to meet their financial obligations to the Company. A specific reserve for doubtful receivables is recorded against the amount due from these customers. For all other customers, the Company recognizes reserves for doubtful receivables based on the length of time specific receivables are past due based on past experience.

Inventories

Inventories include material, labor and overhead and are stated at the lower of cost or market with cost determined by the first-in, first-out (FIFO) method. Provisions for potentially obsolete or slow-moving inventory are made based on management s analysis of inventory levels, historical usage and market conditions. See Note 6.

Property, plant and equipment

Property, plant and equipment are stated at cost. The Company capitalizes significant improvements, and charges repairs and maintenance costs that do not extend the lives of the assets to expense as incurred. The Company accounts for its molds in accordance with the guidance under ASC 340-10, Pre-Production Costs Related to Long-Term Supply Arrangements. All capitalizable molds, whether owned by the Company or its customers, are included in property, plant and equipment in the Consolidated Balance Sheets. Interest costs are capitalized during the period of construction of capital assets as a component of the cost of acquiring these assets. Depreciation and amortization are computed by the straight-line method over the estimated useful lives of the various assets ranging from 2 to

31.5 years. Depreciation and amortization are included in cost of goods sold and selling, general and administrative expenses on the Consolidated Statements of Operations based on the use of the assets. The Company removes the cost and accumulated depreciation of assets sold or otherwise disposed of from the accounts and recognizes any resulting gain or loss upon the disposition of the assets.

Conditional asset retirement obligations

The Company accounts for obligations associated with the retirement of its tangible long-lived assets in accordance with ASC 410-20, Asset Retirement Obligations. The Company recognizes a liability for a conditional asset retirement obligation when incurred if the liability can be reasonably estimated. A

F-596

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. The Company records corresponding amounts for the asset retirement obligations as increases in the carrying amounts of the related long-lived assets, which are then depreciated over the useful lives of such long-lived assets. The net present value of these obligations was $12.4 million and $11.1 million as of December 31, 2010 and 2009, respectively, which is included in other non-current liabilities.

Goodwill and intangible assets

The Company accounts for purchased goodwill in accordance with ASC 350-10, Goodwill and Other Intangible Assets. Under this guidance, goodwill is not amortized, but rather is tested for impairment at least annually.

Intangible assets, other than goodwill, with definite lives are amortized over their estimated useful lives. Intangible assets consist of patented technology, customer relationships, trade names and non-compete agreements. The Company amortizes these intangibles using the straight-line method over the estimated useful lives of the assets ranging from 2 to 19 years. The Company periodically evaluates the reasonableness of the estimated useful lives of these intangible assets. See Note 8.

In order to test goodwill for impairment under ASC 350-10, a determination of the fair value of the Company s reporting units is required and is based upon, among other things, estimates of future operating performance. Changes in market conditions, among other factors, may have an impact on these estimates. The Company performs its required annual impairment tests on December 31 of each fiscal year. See Notes 9, 10 and 24.

Other non-current assets

Other non-current assets primarily include deferred income tax assets of $44.6 million and debt issuance fees. Debt issuance fees totaled $27.4 million and $22.0 million as of December 31, 2010 and 2009, respectively. Debt issuance fees are net of accumulated amortization of $15.9 million and $24.6 million as of December 31, 2010 and 2009, respectively. Amortization is computed by the effective interest method over the term of the related debt.

Impairment of long-lived assets and intangible assets

Long-lived assets and amortizable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 360-10, Impairment or Disposal of Long-Lived Assets. The Company generally uses either a single scenario estimate or a probability-weighted estimate of the future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. Any impairment loss, if indicated, is measured on the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. When fair values are not available, the Company generally estimates fair value using either single scenario expected future cash flows discounted at a risk-adjusted rate or probability-weighted expected future cash flows discounted at a risk-free rate. See Note 10.

Derivatives

The Company accounts for derivatives under ASC 815-10, Derivative Instruments and Hedging Activities. This guidance establishes accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. ASC 815-10 defines requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. The fair value of the derivatives is determined from sources independent of the Company, including the financial institutions which are party to

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

the derivative instruments. The fair value of derivatives also considers the credit default risk of the paying party. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative will be recorded in other comprehensive income (loss) and will be recognized in the income statement when the hedged item affects earnings.

In the past, the Company had entered into interest rate swap and collar agreements, foreign currency exchange contracts and natural gas swap agreements. These derivative contracts had been accounted for as cash flow hedges.

Benefit plans

The Company has several defined benefit plans, under which participants earn a retirement benefit based upon a formula set forth in the plan. Accounting for defined benefit pension plans, and any curtailments thereof, requires various assumptions, including, but not limited to, discount rates, expected rates of return on plan assets and future compensation growth rates. The Company evaluates these assumptions at least once each year, or as facts and circumstances dictate, and makes changes as conditions warrant. Changes to these assumptions will increase or decrease the Company s reported income, which will result in changes to the recorded benefit plan assets and liabilities, the net of which is substantially all included in other non-current liabilities.

Deferred revenue

The Company often receives advance payments related to the design and development of customer molds utilized by the Company under long-term supply arrangements. The Company records these advance payments as deferred revenue and recognizes the related revenue on a straight-line basis over the related term of the long-term supply arrangement. Current and non-current deferred revenue were $32.5 million and $24.4 million, respectively, for the year ended December 31, 2010, and $30.2 million and $28.4 million, respectively, for the year ended December 31, 2009.

Foreign currency translation

The Company uses the local currency as the functional currency for all foreign operations, except as noted below. All assets and liabilities of such foreign operations are translated into U.S. dollars at year-end exchange rates. Income statement items are translated at average exchange rates prevailing during the year. The resulting translation adjustments are included in accumulated other comprehensive income as a component of equity (deficit). Exchange gains and losses arising from transactions denominated in foreign currencies other than the functional currency of the entity entering into the transactions are included in current operations. For operations in highly inflationary economies, the Company remeasures such entities financial statements as if the functional currency was the U.S. dollar.

Comprehensive income (loss)

The Company follows ASC 220-10, Comprehensive Income, which requires the classification of items of other comprehensive income (loss) by their nature, and the disclosure of the accumulated balance of other comprehensive income (loss) separately within the equity section of the consolidated balance sheet. Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss), which includes certain changes in equity that are excluded from net income (loss). Changes in fair value of derivatives designated and accounted for as cash flow hedges, amortization of amounts in accumulated other comprehensive income (loss) as of the date the Company discontinued hedge accounting for its interest rate collar and swap agreements, amortization of prior service costs and unrealized actuarial losses included in net periodic benefit costs for pension and post-retirement plans, and foreign currency translation adjustments are included in other comprehensive income (loss) and added to net income (loss) to determine total

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

comprehensive income (loss), which is displayed in the Consolidated Statements of Comprehensive Income (Loss).

Income taxes

The Company accounts for income taxes in accordance with the guidance under ASC 740-10, Income Taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Income tax receivable agreements

In connection with the initial public offering (IPO), GPC entered into separate Income Tax Receivable Agreements (ITRs) with its pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and with GPC Holdings, L.P. (GPC LP), an affiliate of the Graham Family. The agreements provide for the payment by GPC of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that is actually realized (or is deemed to be realized in the case of an early termination or change in control as further described in the ITRs) as a result of the utilization of net operating losses attributable to periods prior to the IPO, and any increase to the tax basis of the assets of the Company related to (1) the 1998 acquisition of Holdings and (2) current and future exchanges by the Graham Family of their limited partnership units for common stock of GPC pursuant to the Exchange Agreement, and of certain other tax benefits related to GPC s entering into the ITRs, including tax benefits attributable to payments under the ITRs. Payments under the ITRs are not conditioned upon these parties continued ownership of the Company or Holdings.

The Company expects that future payments under the ITRs will aggregate to between $200.0 million and $235.0 million with potential additional payments for tax basis step-ups relating to future exchanges by the Graham Family of their limited partnership units in Holdings for GPC common stock depending on the timing and value of such exchanges. This range is based on the Company s assumptions using various items, including valuation analysis and historical tax basis amounts. This range also includes step-ups related to the Graham Family s exchange of 1,324,900 limited partnership units through December 31, 2010. The Company recognizes net deferred income tax assets, including net deferred income tax assets subject to the ITRs, in accordance with the guidance included in ASC 740, Income Taxes. As a result, changes in the recorded net deferred income tax assets that are subject to the ITRs obligations will result in changes in the ITRs obligations, and such changes will be recorded as non-operating income or expense. As of December 31, 2010, the value of the ITRs obligations was $11.5 million. Because GPC is a holding company with no operations of its own, its ability to make payments under the ITRs is dependent on Holdings ability to make distributions. Upon the effective date of the respective ITRs, the Company recorded an initial obligation of $6.5 million, which was recognized as a reduction of additional paid-in capital. Additionally, the Company recorded $5.0 million in non-operating expense related to the increase in the ITRs obligations for the year ended December 31, 2010. For the year ended December 31, 2010, no payments have been made under the ITRs.

Option plans

The Company, from time to time, has granted options to purchase partnership units of Holdings, which may be exchanged for shares of GPC s common stock, and options to purchase shares of GPC s common stock. The Company adopted the guidance under ASC 718-20, Awards Classified as Equity, on January 1, 2006, using the prospective method. In accordance with the guidance under this topic, the Company applied this guidance prospectively to awards issued, modified, repurchased or cancelled after January 1, 2006. Under the guidance of this topic, actual tax benefits, if any, recognized in excess of tax benefits previously

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

established upon grant are reported as a financing cash inflow. Prior to adoption, such excess tax benefits, if any, were reported as an operating cash inflow.

The Company continued to account for equity-based compensation to employees for awards outstanding as of January 1, 2006, using the intrinsic value method allowed by the guidance in ASC 718-10-30, Stock Compensation Initial Measurement. The exercise prices of all unit options were equal to or greater than the fair value of the units on the dates of the grants and, accordingly, no compensation cost has been recognized for these options. ASC 718-20 established accounting and disclosure requirements using a fair value based method of accounting for equity-based employee compensation plans. Under ASC 718-20, compensation cost is measured at the grant date based on the value of the award and is recognized over the service (or vesting) period.

Postemployment benefits

The Company maintains deferred compensation plans for the Operating Company s former Chief Executive Officers, which provide them with postemployment benefits. Accrued postemployment benefits of $6.8 million and $7.0 million as of December 31, 2010 and 2009, respectively, were included in liabilities.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent events

The Company has evaluated subsequent events that have occurred after the balance sheet date but before the financial statements were available to be issued, which the Company considers to be the date of filing with the Securities and Exchange Commission.

Recently issued accounting pronouncements

In June 2009, the FASB issued guidance under ASC 860, Transfers and Servicing (formerly Statement of Financial Accounting Standards (SFAS) 166, Accounting for Transfers of Financial Assets, an amendment of SFAS 140). This guidance enhances the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial reports about a transfer of financial assets, the effects a transfer will have on its financial performance and cash flows and any transferor s continuing involvement in transferred financial assets. The Company adopted this guidance effective January 1, 2010, and the adoption had no impact on its financial statements.

In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-13, Multiple Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force. This update provides amendments to the guidance provided under ASC 605, Revenue Recognition, for separating consideration in multiple-deliverable arrangements and establishes a hierarchy for determining the selling price of a deliverable. The Company adopted this guidance effective January 1, 2011, and the adoption had no impact on its financial statements.

In December 2010, the FASB issued ASU 2010-28, Intangibles Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts. ASU 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts by requiring an entity to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. The Company adopted this guidance effective January 1, 2011, and the adoption had no impact on its financial statements.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

1. Significant accounting policies (continued)

Management has determined that all other recently issued accounting pronouncements will not have a material impact on the Company s financial statements, or do not apply to the Company s operations.

Reclassification

A reclassification has been made to the 2009 and 2008 Consolidated Statements of Cash Flows to reflect the deferred tax (benefit) provision as a separate component of cash provided by operating activities. Amounts for this line item were previously included in changes in prepaid expenses and other current assets, changes in other non-current assets, changes in accounts payable and accrued expenses and changes in other non-current liabilities.

2. Discontinued operations

On November 12, 2009, the Company sold its wholly-owned subsidiary Graham Emballages Plastiques S.A.S., located in Meaux, France, to an independent third party. The Company determined that the results of operations for this location, which had previously been reported in the Europe segment, would be reported as discontinued operations, in accordance with the guidance under ASC 205-20, Discontinued Operations. The following table summarizes the operating results for this location for the periods presented:

	Year ended December 31, 2009	Year ended December 31, 2008
	(In thousands)	
Net sales	$ 16,706	$ 24,703
Cost of goods sold	16,744	26,873
Selling, general and administrative expenses	(26)	245
Asset impairment charges	5,895	7,858
Net loss on disposal of property, plant and equipment	3,538	
Interest expense	36	236
Other income		(3)
Loss from discontinued operations	$ (9,481)	$ (10,506)

3. Acquisitions

Purchase of Liquid Entities

On September 23, 2010, the Company acquired the Liquid Entities (as defined below) from each of the limited partners (the Liquid Limited Partners) of Liquid Container L.P. (currently known as Graham Packaging LC, L.P.) (Liquid L.P.) and each of the stockholders (the Stockholders) of (i) Liquid Container Inc. (Liquid), a Delaware corporation, (ii) CPG-L Holdings, Inc. (CPG), a Delaware corporation, and (iii) WCK-L Holdings, Inc. (WCK and, together with Liquid and CPG, the Liquid General Partners), a Delaware corporation. Liquid L.P. and the Liquid General Partners are collectively referred to as the Liquid Entities. The Company purchased all the shares from the Stockholders and all of the limited partnership units from the Liquid Limited Partners (collectively, the Liquid Acquisition) for approximately $564.3 million, subject to a potential working capital adjustment.

Under the acquisition method of accounting, the results of the acquired operation are included in the financial statements of the Company beginning on September 23, 2010. The Liquid Entities, which employ approximately 1,000 employees, have operations in 14 plants located across the United States. Annual net sales totaled $356 million for 2009.

The Liquid Entities are custom blow molded plastic container manufacturers based in West Chicago, Illinois, that primarily service food and household product categories. In the food product category, the Liquid

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

3. Acquisitions (continued)

Entities produce packaging for peanut butter, mayonnaise, coffee, creamer, cooking oil, nuts, instant drink mixes and other food items. The household product category consists of containers for bleach, laundry detergent, spray cleaners, automotive cleaning products, drain cleaners and other consumer-based household products. The Liquid Entities utilize high density polyethylene, polyethylene terephthalate and polypropylene resins to manufacture their containers.

The Liquid Acquisition represents a strategically important acquisition for the Company as it expands the Company s customer reach within its existing food and consumer products end markets while providing it with additional technological capabilities and an expansion of its geographical reach. The Liquid Acquisition will significantly increase the size and scope of the Company s operations, particularly in the food product category, and provide the Company with considerable opportunities to convert new products to plastic containers. The Liquid Entities have been a leader in custom blow molded plastic containers used in cold-fill applications and have new hot-fill technologies, which complement the Company s technologies, and which management believes can help drive new conversions. The Liquid Entities have a similar financial profile to that of the Company, as they use technology to serve their customer base with innovative and cost effective packaging solutions. Management believes the combined purchasing power can yield savings in freight, energy, outside services, leased equipment and miscellaneous raw materials such as packaging, pallets, shrink wrap and spare parts. Additionally, management believes it can eliminate overlapping corporate functions and expenses.

The initial purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values. The purchase price allocation is preliminary pending a final determination of the purchase price and a final valuation of the assets and liabilities, including a final valuation of property, plant and equipment, intangible assets and the impact on taxes of any adjustments to such valuations, all necessary to account for the acquisition in accordance with ASC 805, Business Combinations. For purposes of allocating the total purchase price, assets acquired and liabilities assumed are recorded at their estimated fair values. The initial allocated fair value of assets acquired and liabilities assumed, and subsequent adjustments, are summarized as follows (in thousands):

	As originally presented	Adjustments	As of December 31, 2010
Cash	$ 1,184	$	$ 1,184
Accounts receivable	36,858		36,858
Inventories	35,029	136	35,165
Prepaid expenses and other current assets	1,247	194	1,441
Total current assets	74,318	330	74,648
Property, plant and equipment	193,186	(4,324)	188,862
Intangible assets	156,500	(600)	155,900
Goodwill	201,437	2,025	203,462
Total assets acquired	625,441	(2,569)	622,872
Less liabilities assumed	61,140	(2,569)	58,571

Net cost of acquisition	$ 564,301	$	$ 564,301

The adjustments set forth above did not materially impact previously reported results of operations or cash flows.

The allocation set forth above is based on management s estimate of the fair values using valuation techniques including the income, cost and market approaches. The amount allocated to intangible assets

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

3. Acquisitions (continued)

represents the estimated fair values of technologies of $58.2 million, customer relationships of $89.7 million, trade names of $5.0 million and non-compete agreement of $3.0 million. These intangible assets are being amortized on a straight-line basis over weighted-average estimated remaining lives of 11 years, 14 years, 3 years and 2 years for technologies, customer relationships, trade names and non-compete agreement, respectively, reflecting the expected future benefit periods of these intangible assets. Goodwill of $275.4 million is expected to be deductible for tax purposes. Acquired property, plant and equipment are being depreciated on a straight-line basis with estimated remaining lives up to 20 years. The initial purchase price allocations set forth above are based on all information available to the Company at the present time and are subject to change due to additional working capital adjustments and finalization of fair value calculations, and such changes could be material. The goodwill for the Liquid Entities is disclosed within the North American segment in Note 24.

The purchase agreement related to the Liquid Entities contains a stated purchase price of $568.0 million, plus cash on hand, minus certain indebtedness and subject to a potential working capital adjustment, resulting in a payment by the Company of $564.3 million on September 23, 2010. Included in this amount was a payment of $208.2 million to satisfy existing indebtedness of the Liquid Entities, including accrued interest, then outstanding. The Company and the sellers are in the process of finalizing the working capital adjustment and this adjustment could be material.

During the year ended December 31, 2010, the Company incurred legal, professional and advisory costs directly related to the acquisition totaling $8.5 million. All such costs are included in selling, general and administrative expenses on the Consolidated Statement of Operations for the year ended December 31, 2010. Deferred financing fees incurred in connection with issuing debt related to the acquisition totaled $13.4 million and are reflected in other non-current assets on the Consolidated Balance Sheet as of December 31, 2010.

The results of operations for the year ended December 31, 2010, include the results for the Liquid Entities since the acquisition date. Net sales and operating income of the Liquid Entities included in the Company s consolidated results of operations totaled $101.4 million and $0.0 million, respectively, for the year ended December 31, 2010.

Pro forma information

The following table sets forth unaudited pro forma results of operations, assuming that the above acquisition had taken place at the beginning of each period presented:

	Year ended December 31, 2010	Year ended December 31, 2009
	(In millions, except per share data)	
Net sales	$ 2,803	$ 2,627
Net income attributable to Graham Packaging Company Inc. stockholders	39	16
Basic net income attributable to Graham Packaging Company Inc. stockholders per share	$ 0.64	$ 0.38

These unaudited pro forma results of operations have been prepared for comparative purposes only and include certain adjustments, such as additional depreciation and amortization expense as a result of a step-up in the basis of fixed assets and intangible assets, increased interest expense on acquisition debt and related tax effects. They do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect at the beginning of each period presented, or of future results of operations of the entities.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

3. Acquisitions (continued)

On July 1, 2010, the Company acquired China Roots Packaging PTE Ltd. (China Roots), a plastic container manufacturing company located in Guangzhou, China, for approximately $15 million, subject to certain adjustments. China Roots manufactures plastic containers and closures for food, health care, personal care and petrochemical products. Its customers include several global consumer product marketers. In 2009, China Roots net sales were approximately $16.3 million.

4. Accounts receivable, net

Accounts receivable, net are presented net of an allowance for doubtful accounts of $1.7 million and $2.4 million at December 31, 2010 and 2009, respectively. Management performs ongoing credit evaluations of its customers and generally does not require collateral.

5. Concentration of credit risk

For the years ended December 31, 2010, 2009 and 2008, 69.3%, 68.8% and 71.1% of the Company s net sales, respectively, were generated by its top twenty customers. The Company s sales to PepsiCo, Inc., the Company s largest customer, were 9.6%, 10.8% and 13.3% of total sales for the years ended December 31, 2010, 2009 and 2008, respectively. All of these sales were made in North America.

The Company had $112.3 million and $113.7 million of accounts receivable from its top twenty customers as of December 31, 2010 and 2009, respectively. The Company had $18.1 million and $17.5 million of accounts receivable from PepsiCo, Inc. as of December 31, 2010 and 2009, respectively.

6. Inventories

Inventories, stated at the lower of cost or market, consisted of the following:

	December 31, 2010	December 31, 2009
	(In thousands)	
Finished goods	$ 162,136	$ 130,989
Raw materials	85,030	63,713
Total	$ 247,166	$ 194,702

7. Property, plant and equipment

A summary of gross property, plant and equipment at December 31 is presented in the following table:

	Expected useful lives (In years)	2010	2009
		(In thousands)	
Land		$ 52,651	$ 39,063
Buildings and improvements	7-31.5	280,222	236,446
Machinery and equipment(1)	2-15	1,463,614	1,303,241
Molds and tooling	3-5	321,254	282,243
Furniture and fixtures	7	6,574	5,359
Computer hardware and software	3-7	41,843	40,930
Construction in progress		82,439	66,870
		$ 2,248,597	$ 1,974,152

(1) Includes longer-lived machinery and equipment of approximately $1,407.0 million and $1,230.5 million as of December 31, 2010 and 2009, respectively, having estimated useful lives, when purchased new, ranging

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

7. Property, plant and equipment (continued)

from 8 to 15 years; and shorter-lived machinery and equipment of approximately $56.6 million and $72.7 million as of December 31, 2010 and 2009, respectively, having estimated useful lives, when purchased new, ranging from 2 to 8 years.

Depreciation expense, including depreciation expense on assets recorded under capital leases, for the years ended December 31, 2010, 2009 and 2008 was $159.0 million, $151.2 million and $168.2 million, respectively.

Capital leases included in buildings and improvements were $1.0 million and $2.2 million at December 31, 2010 and 2009, respectively. Capital leases included in machinery and equipment were $3.4 million and $49.1 million at December 31, 2010 and 2009, respectively. Accumulated depreciation on property, plant and equipment accounted for as capital leases is included with accumulated depreciation on owned assets on the Consolidated Balance Sheets.

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of these assets. Interest capitalized for the years ended December 31, 2010, 2009 and 2008, was $4.4 million, $3.4 million and $3.9 million, respectively.

The Company closed its plant located in Edison, New Jersey in 2008. The land and building at this location, having a carrying value of $6.6 million, are deemed to be held for sale, and as such are reflected in prepaid expenses and other current assets on the Consolidated Balance Sheets as of December 31, 2010 and 2009.

8. Intangible assets, net

The gross carrying amount and accumulated amortization of the Company s intangible assets subject to amortization as of December 31, 2010, were as follows:

	Gross carrying amount	Accumulated amortization (In thousands)	Net	Weighted average amortization period
Patented technology	$ 86,783	$ (12,611)	$ 74,172	10 years
Customer relationships	124,864	(10,932)	113,932	14 years
Trade names	5,000	(417)	4,583	3 years
Non-compete agreements	3,511	(418)	3,093	2 years
Total	$ 220,158	$ (24,378)	$ 195,780	

The gross carrying amount and accumulated amortization of the Company s intangible assets subject to amortization as of December 31, 2009, were as follows:

	Gross carrying amount	Accumulated amortization (In thousands)	Net	Weighted average amortization period
Patented technology	$ 24,545	$ (8,399)	$ 16,146	10 years
Customer relationships	33,863	(6,997)	26,866	16 years
Total	$ 58,408	$ (15,396)	$ 43,012	

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

8. Intangible assets, net (continued)

Amortization expense for the years ended December 31, 2010, 2009 and 2008 was $9.0 million, $5.0 million and $5.7 million, respectively. The estimated aggregate amortization expense for each of the next five years ending December 31 is as follows (in thousands):

2011	$ 20,300
2012	19,900
2013	18,300
2014	16,600
2015	16,300

9. Goodwill

The changes in the carrying amount of goodwill were as follows:

	North America Segment	Europe Segment	South America Segment (In thousands)	Asia Segment	Total
Balance at January 1, 2009	$ 418,784	$ 15,826	$ 35	$	$ 434,645
Foreign currency translation adjustments	1,981	460	(28)		2,413
Balance at December 31, 2009	420,765	16,286	7		437,058
Goodwill acquired during the year (see Note 3)	203,462			1,415	204,877
Foreign currency translation adjustments	1,929	(837)		37	1,129
Balance at December 31, 2010	$ 626,156	$ 15,449	$ 7	$ 1,452	$ 643,064

10. Asset impairment charges

The components of asset impairment charges in the Consolidated Statements of Operations for the years ended December 31 are reflected in the table below and are described in the paragraphs following the table:

	Year ended December 31, 2010	2009 (In thousands)	2008
Property, plant and equipment	$ 9,621	$ 41,826	$ 93,161

Intangible assets			1,494
Goodwill			1,409
	$ 9,621	$ 41,826	$ 96,064

Property, plant and equipment

During 2010 and 2009, the Company evaluated the recoverability of its long-lived tangible assets in light of several trends in some of the markets it serves. Among other factors, the Company considered the following in its evaluation:

the economic conditions in general;

a continuing reduction in the automotive quart/liter container business as the Company s customers convert to multi-quart/liter containers;

the introduction by the Company, and the Company s competitors, of newer production technology in the plastic container industry which is improving productivity, causing certain of the Company s older machinery and equipment to become obsolete; and

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

10. Asset impairment charges (continued)

the decline and/or loss of business in certain market segments.

The impaired assets consisted of machinery and equipment, including molds and tooling and support assets, for the production lines. The Company determined the fair value of the production lines using either single scenario or probability-weighted discounted cash flows.

During 2008, the Company evaluated the recoverability of its long-lived tangible assets in light of several trends in some of the markets it serves. Among other factors, the Company considered the following in its evaluation:

the deteriorating economic conditions in general;

the expected decrease in volume of a major food and beverage customer;

a continuing reduction in the automotive quart/liter container business as the Company s customers convert to multi-quart/liter containers;

the introduction by the Company, and the Company s competitors, of newer production technology in the food and beverage sector which is improving productivity, causing certain of the Company s older machinery and equipment to become obsolete; and

the loss of business of a large automotive lubricants customer.

The impairment of property, plant and equipment was recorded in the following operating segments:

	Year ended December 31,		
	2010	2009	2008
	(In thousands)		
North America	$ 5,290	$ 31,512	$ 85,367
Europe	3,543	3,918	3,534
South America	788	6,396	4,260
	$ 9,621	$ 41,826	$ 93,161

Intangible assets

During 2010 and 2009, no impairment charges were recorded for intangible assets.

During 2008, the Company recorded impairment charges to its patented technologies and customer relationships of $1.0 million and $0.5 million, respectively, all in its North American operating segment. These intangible assets were recorded in conjunction with the acquisitions of the blow molded plastic container business of Owens-Illinois, Inc. (O-I Plastic) in 2004 and certain operations from Tetra-Pak Inc. in 2005. The patented technologies were impaired primarily as a result of not realizing the growth in revenues for this technology that was anticipated at the time of the acquisition of O-I Plastic. The customer relationships were impaired primarily as a result of reduced revenues for the plant acquired from Tetra-Pak Inc.

Goodwill

The Company performs its annual test of impairment of goodwill as of December 31. As a result of this test the Company recorded no impairment charges for the years ended December 31, 2010 and 2009, and $1.4 million for the year ended December 31, 2008. The impairment charges in 2008 related to the following locations (with the operating segment under which it reports in parentheses):

Brazil (South America)

Argentina (South America)

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

11. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2010	December 31, 2009
	(In thousands)	
Accrued employee compensation and benefits	$ 72,508	$ 64,536
Accrued interest	41,241	20,395
Accrued sales allowance	24,294	22,917
Other	58,389	78,958
	$ 196,432	$ 186,806

12. Debt arrangements

Long-term debt consisted of the following:

	December 31, 2010	December 31, 2009
	(In thousands)	
Term loans (net of $8.9 million and $19.9 million unamortized net discount as of December 31, 2010 and 2009, respectively)	$ 1,934,707	$ 1,781,108
Revolver		
Foreign and other revolving credit facilities	6,126	3,381
Senior notes due 2017 (net of $2.9 million and $3.3 million unamortized discount as of December 31, 2010 and 2009, respectively)	250,523	250,047
Senior notes due 2018	250,000	
Senior subordinated notes	375,000	375,000
Capital leases	1,514	17,039
Other	14,961	10,288
	2,832,831	2,436,863
Less amounts classified as current (net of $3.8 million and $5.8 million unamortized net discount as of December 31, 2010 and 2009, respectively)	34,007	100,657
Total	$ 2,798,824	$ 2,336,206

On September 23, 2010, the Company entered into the Sixth Amendment to the Credit Agreement (the Amendment), amending the Company s credit agreement dated as of October 7, 2004. Pursuant to the Amendment, and in connection with the acquisition of the Liquid Entities, the Company entered into a new senior secured term loan facility in an aggregate principal amount of $913.0 million (Term Loan D) and extinguished the amount outstanding under the existing senior secured term loan due October 7, 2011 (Term Loan B) in the amount of $563.7 million, including accrued interest. The remaining proceeds were used to finance the Liquid Acquisition and pay related costs and expenses. The Term Loan D will mature on the earliest of (i) September 23, 2016, (ii) the date that is 91 days prior to the maturity of the Company s 8.25% senior notes due January 2017 if such senior notes have not been repaid or refinanced in full by such date or (iii) the date that is 91 days prior to the maturity of the Company s 9.875% senior subordinated notes due October 2014 if such senior notes have not been repaid or refinanced in full by such date.

As of December 31, 2010, the credit agreement, as amended, consisted of a senior secured term loan of $1,019.6 million ($1,032.9 million aggregate outstanding principal amount less $13.3 million unamortized discount) due April 5, 2014 (Term Loan C) and Term Loan D in the amount of $915.1 million

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

12. Debt arrangements (continued)

($910.7 million aggregate outstanding principal amount plus $4.4 million unamortized premium) (collectively, the Term Loans), to the Operating Company and a $124.8 million senior secured revolving credit facility (the Revolver and, together with the Term Loans, the Credit Agreement) with availability of $110.0 million (as reduced by $14.8 million of outstanding letters of credit). The obligations of the Operating Company and CapCo I under the Credit Agreement are guaranteed by Holdings and certain domestic subsidiaries of the Operating Company. The Term Loans are payable in quarterly installments and require payments of $19.6 million in 2011, $19.6 million in 2012, $19.7 million in 2013, $1,010.5 million in 2014, $9.1 million in 2015 and $865.1 million thereafter (disregarding any further mandatory or voluntary prepayments that may reduce such scheduled amortization payments).

Besides regular amortization payments, the debt payments made in 2010 included the paydowns of debt of $114.2 million with the proceeds from the IPO and of $14.7 million with the proceeds from the sale of additional shares following the IPO and from an excess cash flow payment of $62.5 million due for the year ended December 31, 2009, paid in March 2010.

On May 28, 2009, certain of the Revolver lenders agreed to extend their commitments, with respect to $112.8 million of the total commitment, conditioned on the refinancing in full of the senior notes due 2012, which occurred in November 2009. Subsequent to the IPO, the Company received a $12.0 million increase to its Revolver. As of December 31, 2010, the Company had $124.8 million of commitments that will expire on October 1, 2013.

Interest under the Credit Agreement is payable at (a) the Adjusted Alternate Base Rate (the higher of (x) the Prime Rate plus a margin of 3.25%; (y) the Federal Funds Rate plus a margin of 3.75%; or (z) the one-month Eurodollar Rate, subject to a floor of 2.50% for the Term Loan C and Revolver and 1.75% for the Term Loan D, plus a margin of 4.25%); or (b) the Eurodollar Rate, subject to a floor of 2.50% for the Term Loan C and Revolver and 1.75% for the Term Loan D, plus a margin of 4.25%. A commitment fee of 0.75% is due on the unused portion of the Revolver.

Substantially all domestic tangible and intangible assets of the Company are pledged as collateral pursuant to the terms of the Credit Agreement.

On September 23, 2010, in conjunction with the Liquid Acquisition, the Operating Company and CapCo I co-issued $250.0 million aggregate principal amount of 8.25% senior unsecured notes due 2018 (Senior Notes due 2018). In conjunction with the issuance of the Senior Notes due 2018, the Company recorded $12.5 million in deferred financing fees, which are included in other non-current assets on the Consolidated Balance Sheet and are being amortized to interest expense over the term of the notes using the effective interest method. Besides these notes, as of December 31, 2010, the Company also had outstanding $253.4 million aggregate principal amount of 8.25% senior unsecured notes due 2017 (Senior Notes due 2017) and $375.0 million in senior subordinated notes due 2014 (Senior Subordinated Notes) co-issued by the Operating Company and CapCo I (collectively with the Senior Notes due 2018 and the Senior Notes due 2017, the Notes). The Notes are unconditionally guaranteed, jointly and severally, by Holdings and certain domestic subsidiaries of the Operating Company and mature on October 7, 2014 (Senior Subordinated Notes), January 1, 2017 (Senior Notes due 2017), and October 1, 2018 (Senior Notes due 2018). Interest on the Senior Subordinated Notes is payable semi-annually at 9.875% per annum and interest on the Senior Notes due 2017 and the Senior Notes due 2018 is payable semi-annually at 8.25% per annum.

During 2007, the Operating Company entered into two forward starting interest rate collar agreements that effectively fixed the interest rate within a fixed cap and floor rate on $385.0 million of the Term Loans at a weighted average cap rate of 4.70% and a weighted average floor rate of 2.88%. These forward starting collar agreements went into effect January 2008 and expired in January 2010.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

12. Debt arrangements (continued)

During 2008, the Operating Company entered into four forward starting interest rate swap agreements that effectively fix the interest rate on $350.0 million of the Term Loans at a weighted average rate of 4.08%. These swap agreements went into effect August 2009 and expire in 2011.

The Credit Agreement and indentures governing the Notes contain a number of significant covenants that, among other things, restrict the Company s and the Company s subsidiaries ability to dispose of assets, repay other indebtedness, incur additional indebtedness, pay dividends, prepay subordinated indebtedness, incur liens, make capital expenditures, investments or acquisitions, engage in mergers or consolidations, engage in transactions with affiliates and otherwise restrict the Company s activities. In addition, under the Credit Agreement, the Company is required to satisfy specified financial ratios and tests. The Credit Agreement also requires that up to 50% of excess cash flow (as defined in the Credit Agreement) be applied on an annual basis to pay down the Term Loans. No excess cash flow payment is due for the year ended December 31, 2010. As of December 31, 2010, the Company was in compliance with all covenants.

In the event that a party acquires beneficial ownership representing voting power in Holdings greater than the voting power represented by the interests beneficially owned by Blackstone through shares of the Company s common stock, an event of default under the Credit Agreement will be triggered. Upon the occurrence of an event of default under the Credit Agreement, the lenders will not be required to lend any additional amounts or could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable, which could result in an event of default under the Company s other debt instruments. If the Company were unable to repay those amounts, the lenders under the Credit Agreement could proceed against the collateral granted to them to secure that indebtedness. The Company has pledged a significant portion of its assets as collateral under the Credit Agreement. If the lenders under the Credit Agreement accelerate the repayment of borrowings, the Company may not have sufficient assets to repay the Credit Agreement and the Company s other indebtedness or be able to borrow sufficient funds to refinance such indebtedness. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to the Company.

Under the Credit Agreement, as amended, the Operating Company is subject to restrictions on the payment of dividends or other distributions to Holdings; provided that, subject to certain limitations, the Operating Company may pay dividends or other distributions to Holdings:

- with respect to overhead, tax and tax-related liabilities, ITRs obligations, legal, accounting and other professional fees and expenses; and

- to fund purchases and redemptions of equity interests of Holdings or GPC held by then present or former officers or employees of Holdings, the Operating Company or their Subsidiaries (as defined therein) or by any employee stock ownership plan upon that person s death, disability, retirement or termination of employment or other circumstances with annual dollar limitations.

The Company s weighted average effective interest rate on the outstanding borrowings under the Term Loans and Revolver was 6.57% and 5.71% at December 31, 2010 and 2009, respectively, excluding the effect of interest rate collar and swap agreements.

The Company had several foreign and other revolving credit facilities denominated in U.S. dollars, Brazilian real, Polish zloty and Chinese renminbi with aggregate available borrowings at December 31, 2010, equivalent to $10.2 million. The Company s average effective interest rate on borrowings of $6.1 million on these credit facilities at December 31, 2010, was 10.8%. The Company s average effective interest rate on borrowings of $3.4 million on foreign and other revolving credit facilities at December 31, 2009, was 11.1%.

Cash paid for interest during 2010, 2009 and 2008, net of amounts capitalized of $4.4 million, $3.4 million and $3.9 million, respectively, totaled $161.1 million, $177.7 million and $169.0 million, respectively.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

12. Debt arrangements (continued)

The annual debt service requirements of the Company for the succeeding five years are as follows (in thousands):

2011	$ 37,818
2012	23,761
2013	19,950
2014	1,385,487
2015	9,130
Thereafter	1,368,446

As required by the guidance under ASC 470-50-40, Modifications and Extinguishments, the Company performed an analysis to determine whether the Amendment would be recorded as an extinguishment of debt or a modification of debt. Based on the Company s analysis, it was determined that the Amendment qualified as a debt extinguishment under this guidance and, as a result, the Company recorded a loss of $28.5 million. The loss is comprised of the following items (in millions):

Principal amount of Term Loan D	$ 913.0
Fair value (see Note 13 for further discussion)	917.6
Subtotal	(4.6)
Write-off of deferred financing fees on extinguished debt	(2.4)
Issuance costs and amendment fees	(21.5)
Loss on debt extinguishment	$ (28.5)
Write-off of remaining amount in accumulated other comprehensive income (loss) related to interest rate swaps	$ (7.0)

In conjunction with the Amendment, the Company recorded $0.9 million in deferred financing fees, which are included in other non-current assets on the Consolidated Balance Sheet and are being amortized to interest expense over the term of the respective debt using the effective interest method.

As required by the guidance under ASC 470-50-40, Modifications and Extinguishments, the Company performed an analysis to determine whether the amendment of the Credit Agreement to extend the maturity date of the Term Loans and Revolver on May 28, 2009, would be recorded as an extinguishment of debt or a modification of debt. Based on the Company s analysis, it was determined that the amendment qualified as a debt extinguishment under this guidance and, as a result, the Company recorded a gain on debt extinguishment of $0.8 million. The gain on debt extinguishment is comprised of the following items (in millions):

Recorded value of debt subject to amendment, prior to amendment	$ 1,200.0
Fair value of debt resulting from amendment (see Note 13 for further discussion)	(1,177.3)
Gain on extinguished debt, before costs	22.7
Write-off of deferred financing fees on extinguished debt	(9.3)
New issuance costs on extinguished debt	(12.6)
Gain on debt extinguishment	$ 0.8

F-611

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

13. Fair value measurement

The following methods and assumptions were used to estimate the fair values of each class of financial instruments:

Cash and cash equivalents, accounts receivable and accounts payable

The fair values of these financial instruments approximate their carrying amounts.

Long-term debt

The Company s long-term debt consists of both variable-rate and fixed-rate debt. The fair values of the Company s long-term debt were based on market price information. The Company s variable-rate debt, including the Company s Credit Agreement, totaled $1,951.3 million (net of $8.9 million unamortized net discount) and $1,790.1 million (net of $19.9 million unamortized discount) at December 31, 2010 and 2009, respectively. The fair value of this long-term debt, including the current portion, was approximately $1,977.1 million and $1,809.8 million at December 31, 2010 and 2009, respectively. The Company s fixed-rate debt, including $253.4 million of Senior Notes due 2017, $250.0 million of Senior Notes due 2018 and $375.0 million of Senior Subordinated Notes, totaled $881.5 million (net of $2.9 million unamortized discount) and $646.8 million (net of $3.3 million unamortized discount) at December 31, 2010 and 2009, respectively. The fair value of this long-term debt, including the current portion, was approximately $915.1 million and $652.8 million at December 31, 2010 and 2009, respectively.

Derivatives

The Company established the following fair value hierarchy that prioritizes the inputs used to measure fair value, in accordance with the guidance under ASC 820-10, Fair Value Measurements and Disclosures :

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs include the following:

a) Quoted prices in active markets for similar assets or liabilities.

b) Quoted prices in markets that are not active for identical or similar assets or liabilities.

c) Inputs other than quoted prices that are observable for the asset or liability.

d) Inputs that are derived primarily from or corroborated by observable market data by correlation or other means.

Level 3: Inputs are unobservable inputs for the asset or liability.

Recurring fair value measurements

The following table presents the Company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2010, by level within the fair value hierarchy:

	Fair value measurements using		
	Level 1	**Level 2**	**Level 3**
		(In thousands)	
Liabilities:			
Interest rate swap agreements	$	$ 7,813	$
Foreign currency exchange contracts		9	

F-612

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

13. Fair value measurement (continued)

The following table presents the Company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2009, by level within the fair value hierarchy:

	Fair value measurements using		
	Level 1	Level 2	Level 3
	(In thousands)		
Liabilities:			
Interest rate collar agreements	$	$ 68	$
Interest rate swap agreements		16,688	
Foreign currency exchange contract		27	

The fair values of the Company s derivative financial instruments are observable at commonly quoted intervals for the full term of the derivatives and therefore considered level 2 inputs.

Non-recurring fair value measurements

The Company has real estate located in Edison, New Jersey that is held for sale. The aggregate carrying value of these assets at December 31, 2010, was $6.6 million, which is less than the fair value of these assets and therefore resulted in no impairment charge for these assets. The determination of fair value included certain unobservable inputs, which reflect the Company s assumptions regarding how market participants would price these assets in the marketplace, and therefore are considered level 3 inputs. The fair value of this real estate was based on offers received from potential buyers.

The Company recorded impairment charges of $9.6 million for the year ended December 31, 2010, for long-lived assets in Argentina, Brazil, Canada, Finland, France, Mexico, Poland, Turkey, the United Kingdom and the United States whose carrying values exceeded fair values. The Company recorded impairment charges in continuing operations of $41.8 million for the year ended December 31, 2009, for long-lived assets in Argentina, Belgium, Brazil, France, Mexico, Netherlands, Poland, Turkey, Venezuela, the United Kingdom and the United States whose carrying values exceeded fair values. Fair values for these assets were based on projected future cash flows, discounted using either a risk-free rate or a risk-adjusted rate, which the Company considers level 3 inputs.

The Company signed a Letter of Intent in the second quarter of 2009 to sell its manufacturing facility located in Meaux, France to an independent third party. The sale occurred in November 2009. Based upon the Letter of Intent, the high probability that the sale would occur and the conclusions made by the Company, after consideration of level 3 inputs, that there were no projected future cash flows for this location, the Company recorded an impairment charge in discontinued operations of $5.9 million for the year ended December 31, 2009.

As previously discussed, on September 23, 2010, the Company entered into the Sixth Amendment to the Credit Agreement. In accordance with the guidance under ASC 470-50-40, Modifications and Extinguishments, this transaction was treated as a debt extinguishment and the new debt was initially recorded at its fair value of

$917.6 million, which was based on the average trading price on the first trade date and is considered a level 2 input. The initial fair value premium of $4.6 million is being amortized as a reduction to interest expense over the term of the Term Loan D using the effective interest method.

On May 28, 2009, the Company amended the Credit Agreement to extend the final maturity date of certain loans and revolver commitments. In accordance with the guidance under ASC 470-50-40, Modifications and Extinguishments, this transaction was treated as a debt extinguishment and the new debt was initially recorded at its fair value of $1,177.3 million, which was based on the average trading price on the first trade date and is considered a level 2 input. The initial fair value discount of $22.7 million is being amortized to interest expense over the term of the Term Loan C using the effective interest method.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

14. Derivative financial instruments

The Company s business and activities expose it to a variety of market risks, including risks related to changes in interest rates, foreign currency exchange rates and commodity prices. These financial exposures are monitored and managed by the Company as an integral part of its market risk management program. This program recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effects that market volatility could have on operating results. As part of its market risk management strategy, the Company uses derivative instruments to protect cash flows from fluctuations caused by volatility in interest rates, foreign currency exchange rates and commodity prices.

Credit risk arising from the inability of a counterparty to meet the terms of the Company s financial instrument contracts is generally limited to the amounts, if any, by which the counterparty s obligations exceed the obligations of the Company. It is the Company s policy to enter into financial instruments with a diverse group of creditworthy counterparties in order to spread the risk among multiple counterparties.

Cash flow hedges

The Company s interest rate risk management strategy is to use derivative instruments to minimize significant unanticipated earnings fluctuations that may arise from volatility in interest rates of the Company s borrowings and to manage the interest rate sensitivity of its debt. Interest rate collar and swap agreements are used to hedge exposure to interest rates associated with the Company s Credit Agreement. Under these agreements, the Company agrees to exchange with a third party at specified intervals the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. In 2010 and 2009, the liabilities associated with interest rate collar and swap agreements were recorded on the balance sheet in other current liabilities and other non-current liabilities, at fair value. The hedges were highly effective as defined by ASC 815, Derivatives and Hedging, with the effective portion of the cash flow hedges recorded in other comprehensive income (loss) until the first quarter of 2009, as further discussed below.

Derivatives are an important component of the Company s interest rate management program, leading to acceptable levels of variable interest rate risk. Had the Company not hedged its interest rates in 2010, 2009 and 2008, interest expense would have been lower by $13.4 million, $13.1 million and $0.2 million, respectively, compared to an entirely unhedged variable-rate debt portfolio.

The Company uses foreign currency exchange contracts as hedges against payments of intercompany balances and anticipated purchases denominated in foreign currencies. The Company enters into these contracts to protect itself against the risk that the eventual net cash flows will be adversely affected by changes in exchange rates. At December 31, 2010 and 2009, the Company had foreign currency exchange contracts outstanding for the purchase of pound sterling and U.S. dollars in an aggregate amount of $2.2 million and pound sterling in an amount of $1.5 million, respectively.

The Company s energy risk management strategy is to use derivative instruments to minimize significant unanticipated manufacturing cost fluctuations that may arise from volatility in natural gas prices.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on derivatives representing hedge ineffectiveness, if any, are recognized in current earnings.

The maximum term over which the Company is hedging exposures to the variability of cash flows (for all forecasted transactions, excluding interest payments on variable-rate debt) is 12 months.

Derivatives not designated as hedging instruments

During the first quarter of 2009, the Company elected to roll over its senior secured term loan in one-month increments to reduce its cash interest, as opposed to continuing to roll over its senior secured term loan

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

14. Derivative financial instruments (continued)

in three-month increments to match the terms of its interest rate collar agreements. The Company had therefore discontinued hedge accounting for its interest rate collar and swap agreements. The amount recorded in accumulated other comprehensive income (loss) as of that date was being recognized as interest expense over the period in which the previously hedged activity continued to occur. Changes in the fair value of the interest rate collar and swap agreements from that date were also being recognized as interest expense. As a result of the extinguishment of the Term Loan B in conjunction with the refinancing of the Credit Agreement that enabled the Company to purchase the Liquid Entities on September 23, 2010, the Company wrote off the remaining unamortized amount in accumulated other comprehensive income (loss).

In 2009, the Company entered into foreign currency exchange contracts to hedge the effects of fluctuations in exchange rates on an anticipated euro-denominated purchase of equipment. The gains or losses on the derivatives were recognized in current earnings.

Financial instruments are not held by the Company for trading purposes.

The notional amounts of the Company s derivative instruments outstanding were as follows:

	As of December 31, 2010	2009
	(In thousands)	
Derivatives designated as hedges:		
Foreign currency exchange contracts	$ 2,222	$ 1,544
Total derivatives designated as hedges	$ 2,222	$ 1,544
Derivatives not designated as hedges:		
Interest rate collar agreements	$	$ 385,000
Interest rate swap agreements	350,000	350,000
Total derivatives not designated as hedges	$ 350,000	$ 735,000

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

14. Derivative financial instruments (continued)

The fair values of the Company s derivative instruments outstanding were as follows:

	Balance Sheet Location	December 31, 2010	December 31, 2009
		(In thousands)	
Liability derivatives:			
Derivatives designated as hedges:			
Foreign currency exchange contracts	Accrued expenses and other current liabilities	$ 9	$ 27
Total derivatives designated as hedges		9	27
Derivatives not designated as hedges:			
Interest rate collar agreements	Accrued expenses and other current liabilities		68
Interest rate swap agreements	Accrued expenses and other current liabilities	7,813	10,466
Interest rate swap agreements	Other non-current liabilities		6,222
Total derivatives not designated as hedges		7,813	16,756
Total liability derivatives		$ 7,822	$ 16,783

The gains and losses on the Company s derivative instruments were as follows:

	Amount of gain or (loss) recognized in AOCI (a) (effective portion) for the year ended December 31, 2010	2009	Income statement classification	Amount of gain or (loss) reclassified from AOCI into income (effective portion) for the year ended December 31, 2010	2009
	(In thousands)			(In thousands)	
Derivatives designated as hedges:					
Cash flow hedges:					
Foreign currency exchange contracts	$ (69)	$ 122	Other expense (income), net	$ (69)	$ 122

Natural gas swap agreements				(180)	Cost of goods sold			(430)
Total derivatives designated as hedges	$	(69)	$	(58)		$ (69)	$	(308)

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

14. Derivative financial instruments (continued)

		Amount of gain or (loss) recognized in income for the year ended December 31, 2010	2009
		(In thousands)	
Derivatives not designated as hedges:			
Interest rate collar agreements	Interest expense	$ (86)	$ (7,790)
Interest rate swap agreements	Interest expense	(10,321)	(9,131)
Interest rate swap agreements	Write-off of amounts in accumulated other comprehensive income related to interest rate swaps	(6,988)	
Foreign currency exchange contracts	Other expense (income), net		95
Total derivatives not designated as hedges		$ (17,395)	$ (16,826)

(a) Accumulated other comprehensive income (loss) (AOCI).

15. Transactions with related parties

The Company had transactions with entities affiliated through common ownership. The Company made payments to Graham Engineering Corporation (Graham Engineering), which is owned by the Graham Family, for equipment and related services. Affiliates of both the Graham Family and Blackstone have supplied management and advisory services to Holdings since 1998. Under the Fifth Amended and Restated Limited Partnership Agreement and the Amended and Restated Monitoring Agreement (the Monitoring Agreement), Holdings was obligated to make annual payments of $2.0 million and $3.0 million to affiliates of the Graham Family and Blackstone, respectively. In exchange for a one-time payment of $26.3 million to Blackstone Management Partners III L.L.C. and $8.8 million to Graham Alternative Investment Partners I, LP, the parties of the Monitoring Agreement agreed to terminate such agreement. These amounts paid to terminate the Monitoring Agreement are reflected in selling, general and administrative expenses on the Consolidated Statement of Operations for the year ended December 31, 2010, and are not included in the table below. As a result of the termination, Blackstone, the Graham Family and their affiliates have no further obligation to provide monitoring services to Holdings, and Holdings has no further obligation to make annual payments of $4.0 million, under the Monitoring Agreement. As a result, as of February 10, 2010, the Company is only obligated to make annual payments of $1.0 million to affiliates of the Graham Family for ongoing management and advisory services under the Sixth Amended and Restated Limited Partnership Agreement, until such time that the

Graham Family sells more than two thirds of its original investment owned on February 2, 1998 (or common stock for which such partnership interests have been or are eligible to be exchanged), and such services would then cease.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

15. Transactions with related parties (continued)

Transactions with entities affiliated through common ownership included the following:

	Year ended December 31,		
	2010	2009	2008
	(In thousands)		
Equipment and related services purchased from affiliates	$ 3,127	$ 2,504	$ 1,272
Management services provided by affiliates(1)	$ 6,231	$ 10,024	$ 5,213
Interest income on notes receivable from owners	$ 367	$ 273	$ 121

(1) Amount for the year ended December 31, 2010, includes a $4.5 million fee paid to Blackstone Advisory Partners L.P. for advisory and other services rendered in connection with the Liquid Acquisition. This fee was negotiated on an arm s-length basis for services performed and the prevailing fees being charged by third parties for comparable services. Amount for the year ended December 31, 2009, includes a $5.0 million fee paid to Blackstone Management Partners III L.L.C. in connection with the Fourth Amendment to the Credit Agreement entered into on May 28, 2009.

Account balances with affiliates included the following:

	As of December 31,	
	2010	2009
	(In thousands)	
Accounts receivable	$ 140	$
Accounts payable	$ 219	$ 972
Other current liabilities	$	$ 703
Notes and interest receivable for ownership interests	$	$ 1,795
Receivable from Blackstone	$ 4,838	$ 4,559
ITRs obligations	$ 11,470	$

At December 31, 2009, the Company had loans outstanding to certain former management employees of the Company of $1.8 million for the purchase of shares of GPC. These loans were made in connection with the capital call payments made on September 29, 2000, and March 29, 2001, pursuant to a capital call agreement dated as of August 13, 1998. The proceeds from the loans were used to fund management s share of the capital call payments. The loans were repaid in 2010. The loans and related interest outstanding as of December 31, 2009, are reflected in equity (deficit) on the Consolidated Balance Sheet.

On behalf of Blackstone, the Company made payments to a former Chief Executive Officer and Chief Financial Officer of the Operating Company on January 5, 2007, for the repurchase of all of their outstanding shares of GPC, pursuant to separation agreements dated as of December 3, 2006. Additionally, on behalf of Blackstone, the Company made a payment to a former Senior Vice President of the Operating Company on April 10, 2009, for the repurchase of all of his outstanding shares of GPC. As a result of these payments, Blackstone became the owner of these shares and owes the Company $4.8 million and $4.6 million as of December 31, 2010 and 2009, respectively, including accrued interest. This receivable is reflected in equity (deficit) on the Consolidated Balance Sheets.

Prior to 2010, affiliates of Blackstone had provided funding to the Company to cover its operating expenses, resulting in a payable to the affiliates of Blackstone, which is reflected in other current liabilities on the Consolidated Balance Sheet as of December 31, 2009. Such payable was fully paid in 2010.

In connection with the IPO, on February 10, 2010, GPC entered into separate ITRs with its pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and with GPC LP. The agreements provide for the payment by GPC of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that is actually realized (or is deemed to be realized in the case of an early termination or change in

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

15. Transactions with related parties (continued)

control as further described in the ITRs) as a result of the utilization of net operating losses attributable to periods prior to the IPO, and any increase to the tax basis of the assets of the Company related to (1) the 1998 acquisition of Holdings and (2) current and future exchanges by the Graham Family of their limited partnership units for common stock of GPC pursuant to the Exchange Agreement, and of certain other tax benefits related to GPC s entering into the ITRs, including tax benefits attributable to payments under the ITRs. Payments under the ITRs are not conditioned upon these parties continued ownership of the Company or Holdings.

The Company expects that future payments under the ITRs will aggregate to between $200.0 million and $235.0 million with potential additional payments for tax basis step-ups relating to future exchanges by the Graham Family of their limited partnership units in Holdings for GPC common stock depending on the timing and value of such exchanges. This range is based on the Company s assumptions using various items, including valuation analysis and historical tax basis amounts. This range also includes step-ups related to the Graham Family s exchange of 1,324,900 limited partnership units through December 31, 2010. The Company will recognize obligations based on the amount of recorded net deferred income tax assets recognized, and subject to the ITRs. Changes in the recorded net deferred income tax assets that are subject to the ITRs obligations will result in changes in the ITRs obligations, and such changes will be recorded as other income or expense. As of December 31, 2010, the value of the ITRs obligations was $11.5 million. Because GPC is a holding company with no operations of its own, its ability to make payments under the ITRs is dependent on Holdings ability to make distributions. Upon the effective date of the respective ITRs, the Company recorded an initial obligation of $6.5 million, which was recognized as a reduction of additional paid-in capital. Additionally, the Company recorded $5.0 million in non-operating expense related to the increase in the ITRs obligations for the year ended December 31, 2010. For the year ended December 31, 2010, no payments have been made under the ITRs.

Gary G. Michael, a member of GPC s Board of Directors and a member of the former committee that advised Holdings and its partners, also serves on the Board of Directors of The Clorox Company, which is a large customer of the Company. Included in current assets at December 31, 2010 and 2009, were receivables from The Clorox Company of $1.1 million and $2.3 million, respectively. Included in net sales for the years ended December 31, 2010, 2009 and 2008, were net sales to The Clorox Company of $47.1 million, $49.1 million and $45.2 million, respectively.

Effective October 23, 2008, the Company entered into an employer health program agreement with Equity Healthcare LLC (Equity Healthcare), which is an affiliate of Blackstone. Equity Healthcare negotiates with providers of standard administrative services for health benefit plans as well as other related services for cost discounts and quality of service monitoring capability by Equity Healthcare. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms for providers that are believed to be more favorable than the companies could obtain for themselves on an individual basis.

In consideration for Equity Healthcare s provision of access to these favorable arrangements and its monitoring of the contracted third parties delivery of contracted services to the Company, the Company pays Equity Healthcare a fee of $2 per participating employee per month (PEPM Fee). As of December 31, 2010, the Company had approximately 3,875 employees enrolled in its health benefit plans in the United States.

Equity Healthcare may also receive a fee (Health Plan Fee) from one or more of the health plans with whom Equity Healthcare has contractual arrangements if the total number of employees joining such health plans from participating companies exceeds specified thresholds. If and when Equity Healthcare reaches the point at which the aggregate of its receipts from the PEPM Fee and the Health Plan Fee have covered all of its allocated costs, it will apply the incremental revenues derived from all such fees to (a) reduce the PEPM Fee otherwise payable by the Company; (b) avoid or reduce an increase in the PEPM Fee that might otherwise

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

15. Transactions with related parties (continued)

have occurred on contract renewal; or (c) arrange for additional services to the Company at no cost or reduced cost.

Effective February 1, 2006, the Company entered into a five-year participation agreement (Participation Agreement) with Core Trust Purchasing Group (CPG), a division of HealthTrust Purchasing Corporation, designating CPG as the Company s exclusive group purchasing organization for the purchase of certain products and services from third party vendors. CPG secures from vendors pricing terms for goods and services that are believed to be more favorable than participants in the group purchasing organization could obtain for themselves on an individual basis. Under the Participation Agreement, the Company must purchase 80% of the requirements of its participating locations for core categories of specified products and services from vendors participating in the group purchasing arrangement with CPG or CPG may terminate the contract. In connection with purchases by its participants (including the Company), CPG receives a commission from the vendors in respect of such purchases.

Although CPG is not affiliated with Blackstone, in consideration for Blackstone s facilitating the Company s participation in CPG and monitoring the services CPG provides to the Company, CPG remits a portion of the commissions received from vendors in respect of the Company s purchases under the Participation Agreement to an affiliate of Blackstone. For the years ended December 31, 2010, 2009 and 2008, the Company s purchases under the Participation Agreement were approximately $6.5 million, $7.5 million and $6.8 million, respectively.

Pinnacle Foods, which is owned by Blackstone, is a customer of the Company. Included in net sales for the years ended December 31, 2010, 2009 and 2008, were net sales to Pinnacle Foods of $7.4 million, $5.9 million and $10.1 million, respectively.

In 2008, the Company entered into an agreement with Kloeckner Pentaplast (Kloeckner), which is owned by Blackstone, to combine the Company s purchasing power on materials used by both the Company and Kloeckner. In connection with this agreement, Kloeckner paid the Company no amounts for the years ended December 31, 2010 and 2009, and $0.2 million for the year ended December 31, 2008.

16. Pension plans

Substantially all employees of the Company participate in noncontributory defined benefit or defined contribution pension plans.

The U.S. defined benefit plan covering salaried employees provides retirement benefits based on the final five years average compensation, while plans covering hourly employees provide benefits based on years of service. The Company s hourly and salaried pension plan covering non-union employees was frozen to future salary and service accruals in 2006.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

The Company accounts for its defined benefit plans under the guidance in ASC 715, Defined Benefit Plans. The Company uses a December 31 measurement date for all of its plans. The components of pension expense and other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) were as follows:

	Pension plan					
	U.S.			Non-U.S.		
	2010	2009	2008	2010	2009	2008
	(In thousands)					
Net periodic benefit cost and amounts recognized in other comprehensive income (loss):						
Service cost	$ 1,662	$ 1,795	$ 1,821	$ 509	$ 442	$ 690
Interest cost	5,393	5,189	4,695	960	847	910
Expected return on assets	(6,080)	(4,958)	(5,711)	(884)	(792)	(963)
Amortization of prior service cost	644	668	665	55	50	54
Amortization of net loss	792	1,602	80	100	42	66
Special benefits charge		52	318			
Settlements/curtailments		181				
Net periodic pension costs	2,411	4,529	1,868	740	589	757
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss):						
Prior service cost for period			356			
Net loss (gain) for period	5,894	(9,953)	29,585	(268)	940	(325)
Amortization of prior service cost	(644)	(849)	(665)	(55)	(50)	(54)
Amortization of net loss	(792)	(1,602)	(80)	(100)	(42)	(66)
Foreign currency exchange rate change				142	884	(84)
Total	4,458	(12,404)	29,196	(281)	1,732	(529)
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ 6,869	$ (7,875)	$ 31,064	$ 459	$ 2,321	$ 228

The estimated prior service cost and net actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2011 are $0.6 million and $1.1 million, respectively, for the U.S. plans, and $0.1 million and $0.1 million, respectively, for the non-U.S. plans.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

All of the Company s plans have a benefit obligation in excess of plan assets. Using the most recent actuarial valuations, the following table sets forth the change in the Company s benefit obligation and pension plan assets at market value for the years ended December 31, 2010 and 2009. The Company uses the fair value of its pension assets in the calculation of pension expense for all of its pension plans.

	U.S.		Non-U.S.	
	2010	2009	2010	2009
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ (91,116)	$ (87,583)	$ (16,492)	$ (12,425)
Service cost	(1,662)	(1,795)	(509)	(442)
Interest cost	(5,393)	(5,189)	(960)	(847)
Benefits paid	2,661	2,422	385	393
Change in benefit payments due to experience			16	(21)
Settlements/curtailments		142		
Participant contributions			(72)	(78)
Effect of exchange rate changes			(97)	(2,293)
Special termination benefits		(52)		
Actuarial (loss) gain	(8,033)	939	42	(779)
Benefit obligation at end of year	$ (103,543)	$ (91,116)	$ (17,687)	$ (16,492)
Change in plan assets:				
Plan assets at market value at beginning of year	$ 79,003	$ 52,009	$ 13,221	$ 10,146
Actual return on plan assets	8,220	13,831	1,030	1,281
Foreign currency exchange rate changes			106	1,366
Employer contributions	6,306	15,585	1,033	743
Participant contributions			72	78
Benefits paid	(2,661)	(2,422)	(385)	(393)
Plan assets at market value at end of year	$ 90,868	$ 79,003	$ 15,077	$ 13,221
Funded status at end of year	$ (12,675)	$ (12,113)	$ (2,610)	$ (3,271)
Amounts recognized in the consolidated balance sheets consist of:				
Current liabilities	$	$	$ (40)	$ (32)
Non-current liabilities	(12,675)	(12,113)	(2,570)	(3,239)
Total	$ (12,675)	$ (12,113)	$ (2,610)	$ (3,271)

Amounts recognized in accumulated other comprehensive income (loss):				
Unrecognized prior service cost	$ 4,665	$ 5,309	$ 448	$ 481
Unrecognized net actuarial loss	24,804	19,702	1,383	1,567
Total	$ 29,469	$ 25,011	$ 1,831	$ 2,048
Accrued benefit cost:				
Accrued benefit cost at beginning of year	$ 12,898	$ 1,842	$ (1,223)	$ (1,334)
Net periodic benefit cost	(2,411)	(4,529)	(740)	(589)
Employer contributions	6,306	15,585	1,033	743
Effect of exchange rate changes			151	(43)
Accrued benefit cost at end of year	$ 16,793	$ 12,898	$ (779)	$ (1,223)

The accumulated benefit obligation for all defined benefit pension plans was $121.2 million and $107.6 million as of December 31, 2010 and 2009, respectively.

F-622

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

Pension plans with accumulated benefit obligations in excess of plan assets at December 31 are as follows:

	As of December 31, 2010	2009
	(In thousands)	
Projected benefit obligation	$ 121,230	$ 107,608
Accumulated benefit obligation	121,230	107,608
Fair value of plan assets	105,945	92,224

The following table presents significant assumptions used to determine benefit obligations at December 31:

	2010	2009
Discount rate:		
U.S.	5.50%	6.00%
Canada	5.00%	5.75%
UK	5.90%	6.00%
Mexico	8.33%	8.60%
Rate of compensation increase:		
U.S.	N/A	N/A
Canada	4.00%	4.00%
UK	3.15%	3.10%
Mexico	5.04%	5.04%

The following table presents significant weighted average assumptions used to determine benefit cost for the years ended December 31:

	Actuarial assumptions			
	U.S.	Canada	UK	Mexico
Discount rate:				
2010	6.00%	6.75%	5.90%	8.33%
2009	6.00%	5.75%	6.00%	8.60%
2008	6.00%	5.25%	5.37%	7.64%
Long-term rate of return on plan assets:				
2010	7.50%	5.75%	6.12%	N/A
2009	8.00%	7.00%	6.43%	N/A
2008	8.75%	7.00%	7.10%	N/A
Rate of increase for future compensation levels:				

2010	N/A	4.00%	3.15%	5.04%
2009	N/A	4.00%	3.10%	5.04%
2008	N/A	4.00%	3.60%	4.54%

Pension expense is calculated based upon a number of actuarial assumptions established on January 1 of the applicable year, detailed in the table above, including a weighted-average discount rate, expected long-term rate of return on plan assets and rate of increase in future compensation levels. The discount rate used by the Company for valuing pension liabilities is based on a review of high quality corporate bond yields with maturities approximating the remaining life of the projected benefit obligations.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

The U.S. expected long-term rate of return assumption on plan assets (which consist mainly of U.S. equity and debt securities) was developed by evaluating input from the Company s actuaries and investment consultants as well as long-term inflation assumptions. Projected returns by such consultants are based on broad equity and bond indices. The expected long-term rate of return on plan assets is based on an asset allocation assumption of 65% with equity managers and 35% with fixed income managers. At December 31, 2010, the Company s asset allocation was 52% with equity managers, 41% with fixed income managers and 7% other. At December 31, 2009, the Company s asset allocation was 48% with equity managers, 47% with fixed income managers and 5% other. The Company believes that its long-term asset allocation on average will approximate 65% with equity managers and 35% with fixed income managers. The Company regularly reviews its actual asset allocation and periodically rebalances its investments to targeted allocations when considered appropriate.

At December 31, 2010, asset allocation for the Company s UK plan is 41% with equity managers, 45% with fixed income managers and 14% in real estate.

The Company made cash contributions to its pension plans in 2010 of $7.3 million and paid benefit payments of $3.0 million. The Company estimates that based on current actuarial calculations it will make cash contributions to its pension plans in 2011 of $5.3 million. Cash contributions in subsequent years will depend on a number of factors including performance of plan assets.

The following table presents the fair value of pension plan assets classified under the appropriate level of the fair value hierarchy as of December 31, 2010. Refer to Note 13 for the definition of fair value and a description of the fair value hierarchy structure.

	Fair value measurements using			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Asset Category:				
Cash and cash equivalents	$ 5,661	$	$	$ 5,661
Mutual funds				
U.S. equity	42,378			42,378
International equity	10,953			10,953
International fixed income	10,600			10,600
Taxable fixed income funds	24,723			24,723
International equity securities	4,115			4,115
Commingled pools / collective trusts		7,515		7,515
Total	$ 98,430	$ 7,515	$	$ 105,945

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

The following table presents the fair value of pension plan assets classified under the appropriate level of fair value hierarchy as of December 31, 2009:

	Fair value measurements using Level 1	Level 2 (In thousands)	Level 3	Total
Asset Category:				
Cash and cash equivalents	$ 6,440	$	$	$ 6,440
Mutual funds				
U.S. equity	26,826			26,826
International equity	11,149			11,149
International fixed income	12,147			12,147
Taxable fixed income funds	25,831			25,831
International equity securities	3,571			3,571
Commingled pools / collective trusts		6,260		6,260
Total	$ 85,964	$ 6,260	$	$ 92,224

The Company measures the fair value of mutual funds, taxable fixed income funds and international equity securities based on quoted market prices, as substantially all of these instruments have active markets. The Canadian pension plan is invested in only one asset, which is a commingled pooled trust that maintains diversification among various asset classes, including Canadian common stocks, bonds and money market securities, U.S. equities, other international equities and fixed income investments. Such investments are valued at the net asset value of the shares held at December 31, 2010. Accordingly, these investments are included in level 2.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Benefit payments (In thousands)
2011	$ 3,420
2012	3,775
2013	4,108
2014	4,493
2015	4,870
Years 2016 2020	31,927

During 2009, the Company closed its plant located in Bristol, Pennsylvania and announced the closure of its plant in Vicksburg, Mississippi. The Company recorded a net curtailment charge of $0.1 million for the vesting of all non-vested pension plan participants in these plans. On January 29, 2010, the Company made a voluntary contribution of $0.5 million to fully fund the Bristol, Pennsylvania plan.

The Company also participated in a defined contribution plan under Internal Revenue Code Section 401(k), which covered all U.S. employees of the Company except those represented by a collective bargaining unit. The Company s contributions were determined as a specified percentage of employee contributions, subject to certain maximum limitations. The Company s costs for the defined contribution plan for 2010, 2009 and 2008 were $7.7 million, $7.4 million and $8.3 million, respectively.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

16. Pension plans (continued)

The Company also had a statutory plan in the Netherlands, the pension amounts of which are not included in the pension amounts above. As of December 31, 2010, this plan had pension liabilities of $0.7 million.

17. Holdings partnership agreement

Holdings was formed under the name Sonoco Graham Company on April 3, 1989, as a limited partnership in accordance with the provisions of the Pennsylvania Uniform Limited Partnership Act, and on March 28, 1991, Holdings changed its name to Graham Packaging Company. Pursuant to an Agreement and Plan of Recapitalization, Redemption and Purchase, dated as of December 18, 1997 (the Recapitalization Agreement), (i) Holdings, (ii) the then owners of the Company (the Graham Entities) and (iii) GPC and BCP agreed to a recapitalization of Holdings (the Recapitalization). Closing under the Recapitalization Agreement occurred on February 2, 1998. Upon the closing of the Recapitalization, the name of Holdings was changed to Graham Packaging Holdings Company. Holdings will continue until its dissolution and winding up in accordance with the terms of the Holdings Partnership Agreement (as defined below).

As contemplated by the Recapitalization Agreement, the Graham Family (as successors and assigns of Graham Capital Company and Graham Family Growth Partnership), Graham Packaging Corporation, GPC and BCP entered into a Fifth Amended and Restated Agreement of Limited Partnership (the Holdings Partnership Agreement). The general partner of the partnership, as of December 31, 2010, was BCP, and the limited partners of the partnership were GPC, three entities controlled by the Graham Family (GPC Investments, LLC, Graham Capital Company and Graham Alternative Investment Partners I, LP) and a former member of management.

Capital Accounts. A capital account is maintained for each partner on the books of Holdings. The Holdings Partnership Agreement provides that at no time during the term of the partnership or upon dissolution and liquidation thereof shall a limited partner with a negative balance in its capital account have any obligation to Holdings or the other partners to restore such negative balance. Items of partnership income or loss are allocated to the partners capital accounts in accordance with their percentage interests except as provided in Section 704(c) of the Internal Revenue Code with respect to contributed property where the allocations are made in accordance with the U.S. Treasury regulations thereunder.

Distributions. The Holdings Partnership Agreement requires certain tax distributions to be made if and when Holdings has taxable income. Other distributions shall be made in proportion to the partners respective percentage interests.

Transfers of Partnership Interests. The Holdings Partnership Agreement provides that, subject to certain exceptions including, without limitation, the transfer rights described below, general partners shall not withdraw from Holdings, resign as a general partner nor transfer their general partnership interests without the consent of all general partners, and limited partners shall not transfer their limited partnership interests.

If either GPC Investments, LLC, Graham Capital Company and/or Graham Alternative Investment Partners I, LP (individually Continuing Graham Partner and collectively the Continuing Graham Partners) wishes to sell or otherwise transfer its partnership interests pursuant to a bona fide offer from a third party, Holdings and the Equity Investors must be given a prior opportunity to purchase such interests at the same purchase price set forth in such offer. If Holdings and the Equity Investors do not elect to make such purchase, then such Continuing Graham Partner may sell or transfer such partnership interests to such third party upon the terms set forth in such offer. If the Equity Investors wish to sell or otherwise transfer their partnership interests pursuant to a bona fide offer from a third party, the Continuing Graham Partners shall have a right to include in such sale or transfer a proportionate percentage of their partnership interests. If the Equity Investors (so long as they hold 51% or more of the partnership interests) wish to sell or otherwise transfer their partnership interests pursuant to a bona fide offer from a third party, the Equity Investors shall have the right

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

17. Holdings partnership agreement (continued)

to compel the Continuing Graham Partners to include in such sale or transfer a proportionate percentage of their partnership interests.

Dissolution. The Holdings Partnership Agreement provides that Holdings shall be dissolved upon the earliest of (i) the sale, exchange or other disposition of all or substantially all of Holdings assets, (ii) the withdrawal, resignation, filing of a certificate of dissolution or revocation of the charter or bankruptcy of a general partner, or the occurrence of any other event which causes the general partner to cease to be the general partner unless a majority-in-interest of the limited partners elect to continue the partnership, or (iii) such date as the partners shall unanimously elect.

18. Comprehensive income (loss)

The components of accumulated other comprehensive income (loss), net of income taxes, consisted of:

	Cash flow hedges	Pension liability	Cumulative translation adjustments	Total other comprehensive income (loss)	Total other comprehensive income (loss) attributable to noncontrolling interests	Total other comprehensive income (loss) attributable to GPC stockholders
			(In thousands)			
Balance at January 1, 2008	$ (706)	$ (8,959)	$ 61,791	$ 52,126	$	$ 52,126
Other comprehensive income	(22,361)	(29,028)	(65,941)	(117,330)		(117,330)
Balance at December 31, 2008	(23,067)	(37,987)	(4,150)	(65,204)		(65,204)
Other comprehensive income	10,111(1)	10,432	19,579	40,122	6,041	34,081
Balance at December 31, 2009	(12,956)	(27,555)	15,429	(25,082)	6,041	(31,123)
Other comprehensive income	12,956(1)	(4,118)	(1,966)	6,872	650	6,222
Common stock issued under exchange agreements					(2,393)	2,393

Balance at December 31, 2010	$		$	(31,673)	$	13,463	$	(18,210)	$	4,298	$	(22,508)

(1) Includes amortization and write-off of amounts in accumulated other comprehensive income (loss) as of the date the Company discontinued hedge accounting for its interest rate collar and swap agreements of $13.0 million (net of tax of $0) and $9.6 million (net of tax of $0) for the years ended December 31, 2010 and 2009, respectively.

19. Option plans

Options have been granted under the terms of the Graham Packaging Holdings Company Management Option Plan (the 1998 Option Plan), the 2004 Graham Packaging Holdings Company Management Option Plan (the 2004 Option Plan), the 2008 Graham Packaging Holdings Company Management Option Plan (the 2008 Option Plan) and the 2010 Equity Compensation Plan (the 2010 Option Plan and, collectively with the 1998 Option Plan, the 2004 Option Plan and the 2008 Option Plan, the Option Plans).

The Option Plans provide for the grant to management employees of Holdings and its subsidiaries and non-employee Directors, advisors, consultants and other individuals providing services to Holdings of options (Options) to purchase either limited partnership interests in Holdings under the 1998 Option Plan, the 2004 Option Plan and the 2008 Option Plan (each interest being referred to as a Unit), which may be exchanged for shares of GPC s common stock, or shares of GPC s common stock under the 2010 Option Plan. On February 4, 2010, GPC effected a 1,465.4874-for-one stock split and Holdings effected a 3,781.4427-for-one unit split. Accordingly, any unit/share information reflects such splits. As a result of these splits, each share of GPC s common stock corresponds to one Unit of Holdings partnership interest. The aggregate number of

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

19. Option plans (continued)

combined Units and/or shares with respect to which Options may be granted under the Option Plans may not exceed 7,220,286. A committee has been appointed to administer the Option Plans, including, without limitation, the determination of the individuals to whom grants will be made, the number of Options subject to each grant and the various terms of such grants.

Under the 1998 Option Plan, the 2004 Option Plan and the 2010 Option Plan, the exercise price per Option is or will be equal to or greater than the fair value of a Unit on the date of grant. Under the 2008 Option Plan, the exercise price per Option is or will be less than, equal to, or greater than the fair value of a Unit on the date of grant, provided that there are limitations on exercise of any Option granted at less than fair value on the grant date. Prior to the IPO, the Company determined the fair value of a Unit by considering market multiples of comparable public companies and recent transactions involving comparable public and private companies, and by performing discounted cash flow analyses on its projected cash flows. The Company utilized the services of an appraisal firm to assist in these analyses. Subsequent to the IPO, the fair value of a Unit is equal to the closing price of the Company s common stock on the New York Stock Exchange. The number and type of Units covered by outstanding Options and exercise prices may be adjusted to reflect certain events such as recapitalizations, mergers or reorganizations of or by Holdings. The Option Plans are intended to advance the best interests of the Company by allowing such employees to acquire an ownership interest in the Company, thereby motivating them to contribute to the success of the Company and to remain in the employ of the Company.

In general, Options awarded under the 1998 Option Plan vest according to either a time-based component or time-based and performance-based components as follows: 50% of the Options vest and become exercisable in 20% increments annually over five years, so long as the holder of the Option is still an employee on the vesting date, and 50% of the Options vest and become exercisable in 20% increments annually over five years, so long as the Company achieves specified earnings targets for each year, although these Options do become exercisable in full without regard to the Company s achievement of these targets on the ninth anniversary of the date of grant, so long as the holder of the Option is still an employee on that date.

In general, time-based Options awarded under the 2004 Option Plan, the 2008 Option Plan and the 2010 Option Plan vest and become exercisable in 25% increments annually over four years, so long as the holder of the Option is still an employee on the vesting date, and in limited circumstances, Options have been granted under the 2004 Option Plan and the 2008 Option Plan with vesting subject to the additional requirement of the achievement of an earnings target. In some circumstances, Options have been granted under the 2004 Option Plan and the 2008 Option Plan that vest contingent upon the employee s continuous employment with the Company and the sale by Blackstone of its entire interest in the Company, with the vesting percentage based upon the multiple of invested capital Blackstone achieves in such a sale (MOIC Options). These MOIC Options have been amended to provide that the MOIC Options will vest in accordance with the multiple of the invested capital Blackstone achieves if the employee remains continuously employed with the Company through the date on which Blackstone sells 75% of its original ownership interest in the Company. Employees can also qualify for additional vesting if Blackstone achieves additional multiple of invested capital milestones upon subsequent sales of its interest in the Company provided that those employees remain employed through a date that precedes such subsequent sale by three months or less.

Generally, upon a holder s termination, all unvested Options are forfeited and vested Options must be exercised within 90 days of the termination event, with variations based on the circumstances of termination.

Options awarded under the Option Plans have a term of ten years. In the past, the Company has amended the terms of specified Options to extend their terms.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

19. Option plans (continued)

The weighted average fair value at date of grant for Options granted in 2010, 2009 and 2008 was $2.70, $1.42 and $2.81 per Option, respectively. The fair value of each Option was estimated on the date of the grant using a fair value option pricing model, with the following weighted-average assumptions:

	2010	2009	2008
Dividend yield	0%	0%	0%
Expected volatility	30%	30%	30%
Risk-free interest rate	1.90%	2.05%	2.28%
Expected option life (in years)	4.0	4.5	4.5

The Company estimates expected volatility based upon the volatility of the stocks of comparable public companies and the volatility of the Company s common stock. The Company s expected life of Options granted was based upon actual experience and expected employee turnover. The risk-free interest rate was based on the implied yield available on U.S. Treasury zero-coupon issues with a term equivalent to the expected life of the Options granted. The Company has not paid dividends in the past and does not plan to pay any dividends in the foreseeable future.

A summary of the changes in the Unit Options outstanding under the Option Plans during 2010 is as follows:

	Units under options	Weighted average exercise price/option	Weighted average remaining contractual term (In years)	Aggregate intrinsic value (In millions)
Outstanding at beginning of year	4,813,115	$ 8.35		
Granted				
Exercised(1)	(1,485,906)	9.08		
Forfeited	(227,747)	7.70		
Outstanding at end of year	3,099,462	$ 8.05	6.5	$ 14.7
Vested or expected to vest at end of year	2,322,522	$ 8.30	6.3	$ 10.5
Exercisable at end of year	1,889,443	$ 8.22	6.2	$ 8.7

A summary of the changes in the stock Options outstanding under the Option Plans during 2010 is as follows:

Weighted

	Common stock under options	Weighted average exercise price/option	average remaining contractual term (In years)	Aggregate intrinsic value (In millions)
Outstanding at beginning of year		$		
Granted(2)	913,797	10.17		
Exercised				
Forfeited	(78,275)	10.00		
Outstanding at end of year	835,522	$ 10.18	9.1	$ 2.2
Vested or expected to vest at end of year	835,522	$ 10.18	9.1	$ 2.2
Exercisable at end of year		$		$

F-629

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

19. Option plans (continued)

(1) Under the terms of the Option Plans, Warren Knowlton, the Operating Company s former Chief Executive Officer, net settled his 894,538 Options in exchange for 164,182 Units of Holdings, which were then exchanged for shares of GPC s common stock. The 894,538 Options are included in the Exercised line in the table above.

(2) In conjunction with the IPO, the Company granted Options to certain management members to purchase 841,363 shares of GPC s common stock. Subsequently, the Company granted additional Options to purchase 72,434 shares of GPC s common stock. As a result, the Company will incur incremental compensation expense of approximately $2.3 million over the four-year vesting period of the Options. The incremental expense recorded during the year ended December 31, 2010, was $0.5 million.

As of December 31, 2010, there was $2.4 million of total unrecognized compensation cost related to outstanding Options that is expected to be recognized over a weighted average period of 2.8 years. For the years ended December 31, 2010 and 2008, the Company received net proceeds of $4.3 million and $0.2 million, respectively, from the exercise of Options.

The intrinsic value of Options exercised for the years ended December 31, 2010 and 2008, was $3.2 million and $0.0 million, respectively.

20. Other expense (income), net

Other expense (income), net consisted of the following:

	Year ended December 31, 2010	2009	2008
	(In thousands)		
Foreign exchange loss (gain), net	$ 3,019	$ (1,907)	$ 215
Other	(406)	356	189
	$ 2,613	$ (1,551)	$ 404

21. Income taxes

The (benefit) provision for income taxes consisted of:

Year ended December 31, 2010	2009	2008
(In thousands)		

(Loss) income from continuing operations before income taxes:			
U.S.	$ (16,765)	$ (5,256)	$ (78,705)
Foreign	27,854	56,004	44,265
Total	$ 11,089	$ 50,748	$ (34,440)
Current provision:			
Federal	$ 3,054	$ 393	$ 23
State and local	697	849	527
Foreign	11,474	16,690	11,495
Total current provision	15,225	17,932	12,045

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

21. Income taxes (continued)

	Year ended December 31, 2010	2009	2008
	(In thousands)		
Deferred (benefit) provision:			
Federal	(49,957)	6,451	(536)
State and local	(10,192)	1,008	12
Foreign	(5,776)	1,623	1,456
Total deferred (benefit) provision	(65,925)	9,082	932
Total (benefit) provision	$ (50,700)	$ 27,014	$ 12,977

The following table sets forth the deferred income tax assets and liabilities that result from temporary differences between the reported amounts and the tax bases of the assets and liabilities:

	December 31, 2010	2009
	(In thousands)	
Deferred income tax assets:		
Net operating loss carryforwards	$ 322,461	$ 327,858
Capital loss carryforwards	7,778	7,784
Fixed assets, due to differences in depreciation, impairment and assigned values		4,476
Accrued retirement indemnities	3,163	3,177
Inventories	2,486	2,532
Amortizable intangibles, due to differences in amortization, impairment and assigned values	16,635	
Accruals and reserves	20,512	18,677
Deferred revenue	7,824	7,261
Tax credits	11,133	10,755
Other items	7,546	5,616
Gross deferred income tax assets	399,538	388,136
Valuation allowance	(249,908)	(329,909)
Net deferred income tax assets	149,630	58,227
Deferred income tax liabilities:		
Investment in partnership	24,389	14,580

Fixed assets, due to differences in depreciation, impairment and assigned values	86,372	43,244
Inventories		492
Amortizable intangibles, due to differences in amortization, impairment and assigned values		13,824
Unremitted earnings of foreign subsidiaries	13,814	11,875
Other items	848	944
Gross deferred income tax liabilities	125,423	84,959
Net deferred income tax assets (liabilities)	$ 24,207	$ (26,732)

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

21. Income taxes (continued)

Current deferred income tax liabilities of $2.5 million in 2010 and $6.3 million in 2009 are included in accrued expenses. Non-current deferred income tax assets of $44.6 million in 2010 and $0.8 million in 2009 are included in other non-current assets.

Pursuant to the requirements of ASC 740-10-30, Establishment of a Valuation Allowance for Deferred Tax Assets, the Company assesses the realizability of deferred tax assets based on an evaluation of positive and negative evidence, including past operating results, the existence of cumulative losses and the Company s forecast of future taxable income. In estimating future taxable income, the Company developed assumptions, including the amount of future pre-tax operating income, the reversal of temporary differences and the utilization of net operating loss and credit carryforwards to offset taxable income. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Company is using to manage the underlying business. As a result of this analysis, the Company determined that the valuation allowances on the net deferred tax assets of certain domestic subsidiaries in the amount of $86.6 million and certain foreign subsidiaries in the amount of $3.8 million were not required and were reversed for the year ended December 31, 2010. The remaining valuation allowance of $249.9 million primarily relates to the uncertainty of realizing the benefits arising from tax loss and credit carryforwards of other foreign and domestic subsidiaries. The valuation allowance decrease in 2010 of $80.0 million results from this valuation allowance reversal and is offset by increases related to current year losses in other domestic and foreign subsidiaries.

The difference between the actual income tax (benefit) provision and an amount computed by applying the U.S. federal statutory rate for corporations to earnings before income taxes is attributable to the following:

	Year ended December 31,		
	2010	2009	2008
	(In thousands)		
Taxes at U.S. federal statutory rate	$ 3,881	$ 17,762	$ (12,054)
Partnership loss not subject to federal income taxes	1,053	157	273
State income tax net of federal benefit	(6,036)	1,207	350
Permanent differences between tax and book accounting	4,683	1,287	1,372
Prior year adjustments	2,567	(941)	137
Tax contingencies	6,190	(407)	5,011
Income taxed in multiple jurisdictions	6,980	22,913	2,703
Change in valuation allowance	(68,396)	(14,242)	19,081
Tax credits	(2,298)	(1,813)	(4,191)
Other	676	1,091	295
	$ (50,700)	$ 27,014	$ 12,977

As of December 31, 2010, the Company s domestic subsidiaries have U.S. federal net operating loss carryforwards of approximately $703.6 million. These net operating loss carryforwards are available to offset future taxable income and expire in the years 2018 through 2030. The Company also has various state net operating loss carryforwards that expire through 2030. The determination of the state net operating loss carryforwards is dependent upon the subsidiaries taxable income or loss, apportionment percentages and other respective state laws that can change from year to year and impact the amount of such carryforward. The Company s international operating subsidiaries have, in the aggregate, approximately $158.3 million of tax loss carryforwards available as of December 31, 2010. These losses are available to reduce the originating subsidiaries future taxable foreign income. The loss carryforwards relating to the Company s French subsidiaries ($127.9 million), UK subsidiaries ($4.0 million), Belgian subsidiaries ($1.0 million), and Brazilian subsidiaries ($15.7 million) have no expiration date. The remainder of the foreign loss carryforwards have

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

21. Income taxes (continued)

expiration dates ranging from 2011 through 2020. The Company has $21.9 million of capital loss carryforwards which are available to offset future capital gains and expire in the years 2011-2013. Additionally, the Company s Canadian subsidiary has $0.5 million of capital loss carryforwards that have no expiration date.

As of December 31, 2010, the Company s domestic subsidiaries had federal and state income tax credit carryforwards of approximately $7.3 million consisting of $2.4 million of Alternative Minimum Tax credits which never expire, $4.1 million of federal research and development credits and other general business credits which expire in the years 2011 through 2024 and $0.8 million of state tax credits with varying expiration dates. The Company s subsidiaries in Mexico and Argentina have tax credit carryforwards of $3.0 million and $0.7 million, respectively, which expire in the years 2011 through 2020.

As of December 31, 2010, the Company s equity in the undistributed earnings of foreign subsidiaries which are deemed to be permanently reinvested, and for which income taxes had not been provided, was $14.9 million. It is not practical to determine the related deferred tax liability.

The Company adopted guidance under ASC 740-10-25, Basic Recognition Threshold, effective January 1, 2007. This guidance prescribes a recognition threshold of more-likely-than-not for recognition of tax benefits.

The following table summarizes the activity related to the gross unrecognized tax benefits (UTB) from January 1, 2008, through December 31, 2010:

		December 31,	
	2010	2009	2008
		(In thousands)	
Balance at beginning of year	$ 50,703	$ 52,246	$ 41,817
Increases related to prior year tax positions	1,569	30	1,304
Decreases related to prior year tax positions	(206)	(7,542)	(156)
Increases related to current year tax positions	6,687	6,788	11,328
Decreases related to settlements with taxing authorities	(778)		(52)
Decreases related to lapsing of statute of limitations	(828)	(1,059)	(1,128)
Currency translation adjustments	(242)	240	(867)
Balance at end of year	$ 56,905	$ 50,703	$ 52,246

Offsetting long-term deferred income tax assets in the amount of $14.7 million, $14.6 million and $18.8 million at December 31, 2010, 2009 and 2008, respectively, are not reflected in the gross UTB balance above. Approximately $2.4 million, $9.0 million and $10.9 million of UTB at December 31, 2010, 2009 and 2008, respectively, if recognized, would impact the Company s effective tax rate.

The Company operates and files income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. Its tax returns are periodically audited by domestic and foreign tax authorities. The Company is currently under examination by various foreign authorities. The U.S. corporate subsidiaries have open tax years from 2005 forward for certain state purposes. The Company generally has open tax years subject to audit scrutiny of three to five years in Europe, six years in Mexico and South America and three to five years in Asia. The Company does not expect a significant change in the UTB balance in the next twelve months.

Upon adoption of ASC 740-10-25, the Company elected to treat interest and penalties related to taxes as a component of income tax expense. As of December 31, 2010, 2009 and 2008, the Company has recorded UTB of $4.8 million, $5.6 million and $6.0 million, respectively, related to interest and penalties, all of which,

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

21. Income taxes (continued)

if recognized, would affect the Company s effective tax rate. During the year ended December 31, 2010, the Company recorded a tax benefit related to a decrease in UTB for interest and penalties of $0.8 million.

Cash income tax payments of $21.1 million, $19.2 million and $9.3 million were made for income tax liabilities in 2010, 2009 and 2008, respectively.

22. Commitments

In connection with plant expansion and improvement programs, the Company had commitments for capital expenditures of approximately $15.8 million at December 31, 2010.

The Company is a party to various capital and operating leases involving real property and equipment. Lease agreements may include escalating rent provisions and rent holidays, which are expensed on a straight-line basis over the term of the lease. Total rent expense for operating leases was $50.7 million, $50.3 million and $52.0 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Minimum future lease obligations on long-term noncancelable operating leases in effect at December 31, 2010, were as follows (in thousands):

2011	$ 33,448
2012	28,199
2013	24,002
2014	18,532
2015	12,774
Thereafter	25,755

Minimum future lease obligations on capital leases in effect at December 31, 2010, were as follows (in thousands):

2011	$ 985
2012	527
2013	2

The gross amount of assets under capital leases was $4.4 million and $51.3 million as of December 31, 2010 and 2009, respectively. The deferred rent liability relating to escalating rent provisions and rent holidays was $2.6 million and $2.2 million as of December 31, 2010 and 2009, respectively.

The Company has entered into agreements with an unrelated third-party for the financing of specific accounts receivable of certain foreign subsidiaries. The financing of accounts receivable under these agreements is accounted for as a sale of receivables in accordance with ASC 860-20, Sale of Financial Assets. Under the terms of the financing agreements, the Company transfers ownership of eligible accounts receivable without recourse to the third-party purchaser in exchange for cash. Proceeds on the transfer reflect the face value of the accounts receivable less a discount. The discount is recorded against net sales on the consolidated statement of operations in the period of the sale. The eligible receivables financed pursuant to this factoring agreement are excluded from accounts receivable on the consolidated balance sheet and are reflected as cash provided by operating activities on the consolidated statement of cash flows, while non-eligible receivables remain on the balance sheet with a corresponding liability established when those receivables are financed. The Company does not continue to service, administer and collect the eligible receivables under this program. The third-party purchaser has no recourse to the Company for failure of debtors constituting eligible receivables to pay when due. The Company maintains insurance on behalf of the third-party purchaser to cover any losses due to the failure of debtors constituting eligible receivables to pay when due. At December 31, 2010 and 2009, the Company had sold $18.4 million and $15.7 million of eligible

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

22. Commitments (continued)

accounts receivable, respectively, which represent the face amounts of total outstanding receivables at those dates.

Under the Fifth Amended and Restated Limited Partnership Agreement and the Monitoring Agreement, the Company was obligated to make annual payments of $2.0 million and $3.0 million to affiliates of the Graham Family and Blackstone, respectively. The Company has terminated the Monitoring Agreement and is no longer obligated to make payments under the Monitoring Agreement. As a result, as of February 10, 2010, the Company is only obligated to make annual payments of $1.0 million to affiliates of the Graham Family for ongoing management and advisory services under the Sixth Amended and Restated Limited Partnership Agreement. See Note 15 for further discussion of the Company s obligations under these agreements.

As discussed in Note 15, in connection with the IPO, on February 10, 2010, GPC entered into separate ITRs with its pre-IPO stockholders (e.g. Blackstone, management and other stockholders) and with GPC LP. The agreements provide for the payment by GPC of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that is actually realized (or is deemed to be realized in the case of an early termination or change in control as further described in the ITRs) as a result of the utilization of net operating losses attributable to periods prior to the IPO, and any increase to the tax basis of the assets of the Company related to (1) the 1998 acquisition of Holdings and (2) current and future exchanges by the Graham Family of their limited partnership units for common stock of GPC pursuant to the Exchange Agreement, and of certain tax benefits related to GPC s entering into the ITRs, including tax benefits attributable to payments under the ITRs.

23. Contingencies and legal proceedings

On November 3, 2006, the Company filed a complaint with the Supreme Court of the State of New York, New York County, against Owens-Illinois, Inc. and OI Plastic Products FTS, Inc. (collectively, OI). The complaint alleges certain misrepresentations by OI in connection with the Company s 2004 purchase of the blow molded plastic container business of Owens-Illinois, Inc. and seeks damages in excess of $30 million. In December 2006, OI filed an Answer and Counterclaim, seeking to rescind a Settlement Agreement entered into between OI and the Company in April 2005, and disgorgement of more than $39 million paid by OI to the Company in compliance with that Settlement Agreement. The Company filed a Motion to Dismiss the Counterclaim in July 2007, which was granted by the Court in October 2007. On August 1, 2007, the Company filed an Amended Complaint to add additional claims seeking indemnification from OI for claims made against the Company by former OI employees pertaining to their pension benefits. These claims arise from an arbitration between the Company and Glass, Molders, Pottery, Plastic & Allied Workers, Local #171 (the Union) that resulted in an award on April 23, 2007, in favor of the Union. The Arbitrator ruled that the Company had failed to honor certain pension obligations for past years of service to former employees of OI, whose seven Union-represented plants were acquired by the Company in October 2004. In the Amended Complaint, the Company maintains that under Section 8.2 of the Stock Purchase Agreement between the Company and OI, OI is obligated to indemnify the Company for any losses associated with differences in the two companies pension plans including any losses incurred in connection with the Arbitration award. The litigation is proceeding.

On April 10, 2009, OnTech Operations, Inc. (OnTech) initiated an arbitration proceeding against the Company, in which OnTech alleged that the Company breached a bottle purchase agreement dated April 28, 2008, and an equipment lease dated June 1, 2008. In its statement of claims, OnTech alleged, among other things, that the

Company s failure to produce bottles as required by the bottle purchase agreement resulted in the failure of OnTech s business. As a result, OnTech sought to recover the value of its business, which it alleged was between $80 million and $150 million. The arbitration was heard by a three arbitrator panel from August 2, 2010, to August 16, 2010. On October 5, 2010, the Company received the decision from the

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

23. Contingencies and legal proceedings (continued)

arbitrators, which resulted in a payment by the Company to OnTech of $8.0 million in the fourth quarter of 2010, which is included in selling, general and administrative expenses.

The Company is a party to various other litigation matters arising in the ordinary course of business. The ultimate legal and financial liability of the Company with respect to such litigation cannot be estimated with certainty, but management believes, based on its examination of these matters, experience to date and discussions with counsel, that ultimate liability from the Company s various litigation matters will not be material to the business, financial condition, results of operations or cash flows of the Company.

24. Segment information

The Company is organized and managed on a geographical basis in four operating segments: North America, Europe, South America and Asia. The Company began accounting for its new Asian operations as a new operating segment as of July 1, 2010, with the acquisition of China Roots. The accounting policies of the segments are consistent with those described in Note 1. The Company s measure of segment profit or loss is operating income. Segment information for, and as of, the three years ended December 31, 2010, representing the reportable segments currently utilized by the chief operating decision makers, was as follows:

	Year	North America	Europe	South America	Asia	Eliminations(a)	Total
				(In thousands)			
Net sales(b)(c)	2010	$ 2,178,118	$ 226,065	$ 99,683	$ 9,684	$ (817)	$ 2,512,733
	2009	1,942,747	235,766	92,771		(250)	2,271,034
	2008	2,196,048	274,382	89,747		(1,223)	2,558,954
Operating income (loss)	2010	$ 220,253	$ 20,824	$ 387	$ 247	$	$ 241,711
	2009	210,990	31,777	(9,086)			233,681
	2008	119,648	30,181	(4,627)			145,202
Depreciation and amortization	2010	$ 145,810	$ 17,824	$ 6,600	$ 854	$	$ 171,088
	2009	136,929	17,902	3,788			158,619
	2008	149,765	20,492	5,268			175,525
Asset impairment charges	2010	$ 5,290	$ 3,543	$ 788	$	$	$ 9,621
	2009	31,512	3,918	6,396			41,826
	2008	86,861	3,534	5,669			96,064
Interest expense, net	2010	$ 180,443	$ 1,104	$ 3,202	$ 169	$	$ 184,918
	2009	171,647	1,183	2,928			175,758
	2008	174,128	2,678	2,432			179,238
Other (income) expense, net	2010	$ (5,770)	$ 6,139	$ (103)(d)	$ (53)	$ 2,400	$ 2,613
	2009	(17,747)	691	(9,764)		25,269	(1,551)
	2008	(4,126)	(1,689)	(4)		6,223	404

Income tax (benefit) provision	2010	$ (52,634)	$ 3,146	$ (1,163)	$ (49)	$	$ (50,700)
	2009	16,433	9,535	1,046			27,014
	2008	3,569	9,560	(152)			12,977
Identifiable assets(b)(c)(e)	2010	$ 991,676	$ 125,433	$ 69,044	$ 16,989	$	$ 1,203,142
	2009	830,897	138,053	48,828			1,017,778
Goodwill	2010	$ 626,156	$ 15,449	$ 7	$ 1,452	$	$ 643,064
	2009	420,765	16,286	7			437,058
Cash paid for property, plant and equipment	2010	$ 107,387	$ 19,761	$ 26,761	$ 3,210	$	$ 157,119
	2009	119,875	13,529	12,607			146,011
	2008	116,442	20,767	11,367			148,576

(a) To eliminate intercompany transactions.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

24. Segment information (continued)

(b) The Company s net sales for Europe include countries having significant sales as follows:

	Year ended December 31, 2010	2009	2008
	(In millions)		
Poland	$ 54.4	$ 49.3	$ 63.7
Belgium	50.5	54.9	57.4
Spain	29.1	40.6	40.8
France	29.7	24.3	34.4

The Company s identifiable assets for Europe include countries having significant identifiable assets as follows:

	December 31, 2010	2009
	(In millions)	
Poland	$ 33.0	$ 36.6
Belgium	27.2	31.9
Spain	21.0	23.6
France	20.9	15.3

(c) The Company s net sales for North America include sales in Mexico which totaled $173.4 million, $147.3 million and $150.4 million for the years ended December 31, 2010, 2009 and 2008, respectively. Identifiable assets in Mexico totaled $70.6 million and $58.8 million as of December 31, 2010 and 2009, respectively. Substantially all of the North America reportable segment s remaining net sales and identifiable assets are in the United States.

(d) Beginning January 1, 2010, Venezuela s economy is considered to be highly inflationary for accounting purposes. Accordingly, the Company has adopted the U.S. dollar as the functional currency for its Venezuelan operations. All bolivar-denominated transactions, as well as monetary assets and liabilities, are remeasured into U.S. dollars. As a result of the application of hyper-inflationary accounting requiring the revaluation of monetary assets and liabilities, the Company recorded a $2.3 million loss in other expense for the year ended December 31, 2010. Net sales for Venezuela were $6.0 million for the year ended December 31, 2010, and net assets for Venezuela were less than 1.0% of the Company s total net assets as of December 31, 2010 and 2009. As the Venezuelan operations are not significant to the overall operations of the Company, future rate changes in the bolivar would not have a significant impact on the Company s financial statements.

(e) Represents property, plant and equipment, net.

Product net sales information

The following is supplemental information on net sales by product category:

	Food and beverage	Household	Personal care/specialty (In thousands)	Automotive lubricants	Total
2010	$ 1,586,417	$ 442,928	$ 163,931	$ 319,457	$ 2,512,733
2009	1,385,544	423,004	171,278	291,208	2,271,034
2008	1,561,273	491,641	186,787	319,253	2,558,954

25. Environmental matters

As a result of the Company closing its plant located in Edison, New Jersey, the Company is subject to New Jersey s Industrial Site Recovery Act (ISRA). The Company acquired this facility from Owens-Illinois,

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

25. Environmental matters (continued)

Inc. in 2004. ISRA is an environmental law that specifies a process of reporting to the New Jersey Department of Environmental Protection (NJDEP) and, in some situations, investigating, cleaning up and/or taking other measures with respect to environmental conditions that may exist at an industrial establishment that has been shut down or is being transferred. The Company is in the process of evaluating and implementing its obligations under ISRA regarding this facility. The Company has recorded expense of $0.4 million for this obligation. This amount may change based on results of additional investigation expected to be undertaken for NJDEP, however, the Company does not believe that such changes will have a significant impact on the results of operations.

26. Earnings per share

The following are reconciliations of income (loss) from continuing operations, loss from discontinued operations and net income (loss) attributable to GPC stockholders used to calculate basic and diluted earnings (loss) per share.

The following summarizes earnings per share for the year ended December 31, 2010 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic earnings per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted earnings per share
Numerator:					
Net income	$ 61,789	$ (7,077)	$ 54,712	$ 111	$ 54,823
Denominator:					
Weighted average number of GPC shares outstanding(3)			60,334,473		61,410,535
			Basic		**Diluted**
Earnings per share:					
Net income attributable to GPC stockholders			$ 0.91		$ 0.89

F-638

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

26. Earnings per share (continued)

The following summarizes earnings per share for the year ended December 31, 2009 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic earnings per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted earnings per share
Numerator:					
Income from continuing operations	$ 23,734	$ (4,602)	$ 19,132	$ (273)	$ 18,859
Loss from discontinued operations	(9,481)	1,428	(8,053)	85	(7,968)
Net income	$ 14,253	$ (3,174)	$ 11,079	$ (188)	$ 10,891
Denominator:					
Weighted average number of GPC shares outstanding(4)			42,981,204		42,985,179
			Basic		**Diluted**
Earnings per share:					
Income from continuing operations			$ 0.45		$ 0.44
Loss from discontinued operations			(0.19)		(0.19)
Net income attributable to GPC stockholders			$ 0.26		$ 0.25

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

26. Earnings per share (continued)

The following summarizes loss per share for the year ended December 31, 2008 (in thousands, except share and per share data):

	As reported	Attributable to noncontrolling interests(1)	Attributable to GPC stockholders for computation of basic loss per share	Adjustment for potentially dilutive options to purchase partnership units(2)	Adjusted for computation of diluted loss per share
Numerator:					
Loss from continuing operations	$ (47,417)	$	$ (47,417)	$	$ (47,417)
Loss from discontinued operations	(10,506)		(10,506)		(10,506)
Net loss	$ (57,923)	$	$ (57,923)	$	$ (57,923)
Denominator:					
Weighted average number of GPC shares outstanding(5)			42,975,419		42,975,419
			Basic		**Diluted**
Loss per share:					
Loss from continuing operations			$ (1.10)		$ (1.10)
Loss from discontinued operations			(0.25)		(0.25)
Net loss attributable to GPC stockholders			$ (1.35)		$ (1.35)

(1) The allocation of earnings is based on the noncontrolling interests   relative ownership percentage.

(2)

Holdings adjustment is based on incremental earnings that would be attributable to those potentially dilutive options to purchase partnership units on an as-if converted basis. For the years ended December 31, 2010, 2009 and 2008, 669,694, 721,828 and 4,954,011 potential options to purchase partnership units, respectively, have been excluded as the options are either antidilutive or as a result of the related contingencies not being met as of the reporting dates. Regarding contingencies, there are two types of options that contain contingencies: (1) those which vest and become exercisable upon the attainment of certain financial performance goals associated with a sale by Blackstone of 75% of its original ownership interest in the Company, and (2) those which vest and become exercisable upon Holdings achievement of specified earnings targets.

(3) For the year ended December 31, 2010, 20,134 potential options to purchase GPC common stock have been excluded as the options are antidilutive.

(4) Reflects 3,975 incremental shares calculated using the treasury stock method.

(5) As of December 31, 2008, there were no potentially dilutive common stock equivalents outstanding regarding GPC shares. Accordingly, the number of basic and diluted weighted average shares outstanding is the same.

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

27. Capital stock

On February 10, 2010, the Company completed its IPO and on February 11, 2010, its stock began trading on the New York Stock Exchange under the symbol GRM. In connection with the IPO, the Company, on February 4, 2010, increased the number of authorized shares of $0.01 par value common stock to 500,000,000 and of $0.01 par value preferred stock to 100,000,000, and effected a 1,465.4874-for-one stock split of its shares of common stock. On February 10, 2010, and in connection with the IPO, the Company issued 16,666,667 of its registered common stock at the initial public offering price of $10.00 per share, less underwriters discount and expenses.

Additionally, as part of the IPO, the Graham Family entered into an Exchange Agreement. Under the Exchange Agreement, the Graham Family and certain permitted transferees may, subject to specific terms, exchange their limited partnership units in Holdings for shares of the Company s common stock at any time and from time to time on a one-for-one basis, subject to customary conversion rate adjustments for splits, stock dividends and reclassifications. Under this Exchange Agreement, entities controlled by the Graham Family and certain of their permitted transferees exercised their rights to exchange 1,324,900 limited partnership units of Holdings for 1,324,900 shares of the Company s common stock. The Company has also entered into Management Exchange Agreements, which provide for similar rights to management to exchange limited partnership units of Holdings obtained on exercise of outstanding options for shares of the Company s common stock.

On March 11, 2010, the underwriters of the IPO partially exercised their option to purchase additional shares of common stock from the Company and purchased 1,565,600 shares of registered common stock at the initial public offering price of $10.00 per share, less underwriters discount (the Underwriters Allotment). The Underwriters Allotment closed on March 16, 2010.

There were 0 shares of preferred stock issued and outstanding for each of the years ended December 31, 2010, 2009 and 2008. There were 63,311,512, 42,998,786 and 42,975,419 shares of common stock issued and outstanding for the years ended December 31, 2010, 2009 and 2008, respectively.

28. Interim financial results (unaudited)

	2010				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(In thousands, except per share data)				
STATEMENT OF OPERATIONS DATA:					
Net sales	$ 585,576	$ 652,832	$ 630,439	$ 643,886	$ 2,512,733
Gross profit	$ 102,319	$ 120,598	$ 112,043	$ 101,489	$ 436,449
Net (loss) income	$ (24,511)	$ 37,800	$ (4,354)	$ 52,854	$ 61,789
Net (loss) income attributable to noncontrolling interests	$ (2,290)	$ 4,264	$ (209)	$ 5,312	$ 7,077
Net (loss) income attributable to Graham Packaging Company Inc.	$ (22,221)	$ 33,536	$ (4,145)	$ 47,542	$ 54,712

stockholders										
Earnings per share:										
Net (loss) income attributable to Graham Packaging Company Inc. stockholders per share(1):										
Basic	$	(0.42)	$	0.54	$	(0.07)	$	0.75	$	0.91
Diluted	$	(0.42)	$	0.53	$	(0.07)	$	0.75	$	0.89

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

28. Interim financial results (unaudited) (continued)

	2009 First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(In thousands, except per share data)				
STATEMENT OF OPERATIONS DATA:					
Net sales	$ 561,851	$ 585,714	$ 588,803	$ 534,666	$ 2,271,034
Gross profit	$ 93,576	$ 112,693	$ 111,799	$ 86,381	$ 404,449
Income (loss) from continuing operations	$ 17,170	$ 34,570	$ 13,084	$ (41,090)	$ 23,734
Net income (loss)	$ 16,843	$ 33,091	$ 10,966	$ (46,647)	$ 14,253
Net income (loss) attributable to noncontrolling interests	$ 2,826	$ 5,262	$ 1,930	$ (6,844)	$ 3,174
Net income (loss) attributable to Graham Packaging Company Inc. stockholders	$ 14,017	$ 27,829	$ 9,036	$ (39,803)	$ 11,079
Earnings per share:					
Net income (loss) attributable to Graham Packaging Company Inc. stockholders per share(1):					
Basic	$ 0.33	$ 0.65	$ 0.21	$ (0.93)	$ 0.26
Diluted	$ 0.33	$ 0.65	$ 0.21	$ (0.93)	$ 0.25

(1) Net (loss) income attributable to Graham Packaging Company Inc. stockholders per share may not necessarily total to the yearly income per share due to the weighting of shares outstanding on a quarterly and year-to-date basis.

29. Subsequent event

On January 13, 2011, Graham Alternative Investment Partners I, LP (GAIP), Graham Capital Company (GCC) and GPC Investments, LLC (GPCI) exercised their rights under the Exchange Agreement to exchange on a one-for-one basis Holdings limited partnership units for shares of GPC s common stock. On January 13, 2011, GAIP, GCC and GPCI exchanged 1,500,000, 240,000 and 26,681 Holdings limited partnership units, respectively, for the same number of shares of GPC s common stock. Holdings issued an aggregate of 1,766,681 limited partnership units to GPC in consideration for the corresponding number of limited partnership units surrendered and extinguished as a result of such exchanges. No underwriters were involved in the transactions, and the transactions were exempt from the registration requirements under Section 4(2) of the Securities Act. This exchange will impact the ITRs obligations, for which the Company is currently in the process of determining the impact.

30. Subsequent events

Merger

On June 17, 2011, the Company, Reynolds Group Holdings Limited (Reynolds) and Bucephalas Acquisition Corp., an indirect wholly-owned subsidiary of Reynolds (Merger Sub), entered into an Agreement and Plan of Merger and an amendment thereto (as amended, the Merger Agreement). Prior to entering into the Merger Agreement, the Company terminated the previously announced merger agreement (the Prior Merger Agreement) with Silgan Holdings, Inc (Silgan). In accordance with the terms of the Prior Merger Agreement, the Company paid a $39.5 million termination fee to Silgan.

Blackstone, which owned approximately 60% of the outstanding shares of the Company s common stock on June 17, 2011, executed a written consent on that date to approve the transaction, thereby providing the required stockholder approval for the Merger.

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

30. Subsequent events (continued)

On September 8, 2011, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation as an indirect wholly-owned subsidiary of Reynolds (the Merger).

As a result of the Merger, each outstanding share of the Company s common stock, other than shares owned by Reynolds or the Company (which were cancelled) and other than those shares with respect to which appraisal rights were properly exercised and not withdrawn, was converted into the right to receive $25.50 in cash, without interest. In addition, immediately prior to the effective time of the Merger, Holdings engaged in a merger that resulted in the equity holders of Holdings (other than GPC) receiving the same cash consideration as is payable in the Merger. Also, pursuant to the terms of the equity incentive plans of the Company and corresponding award agreements with its officers and directors, upon the completion of the Merger, all stock options that vest based solely on the passage of time and continued employment and all stock options that vest upon attainment of certain performance goals became fully vested if the option holder remained employed by the Company until the effective time of the Merger. Additionally, at the closing of the Merger, Reynolds made a cash payment of $245 million pursuant to contractual change in control provisions in the ITRs.

Tender offer and consent solicitations

On July 7, 2011, the Company announced that the Operating Company and CapCo I (collectively, the Issuers) commenced tender offers for any and all of their Notes outstanding and solicitation of consents of holders of each series of Notes to make certain amendments to the indentures governing the Notes. The tender offers and consent solicitations were requested by Reynolds in connection with the Merger. The tender offers and consent solicitations were conditioned on consummation of the Merger. In addition, the tender offers and consent solicitations were conditioned on the receipt of requisite consents to approve the proposed amendments (with respect to each series of Notes, consents in respect of at least a majority in principal amount of the then outstanding Notes issued under the applicable indenture) and the general conditions set forth in the offer to purchase and consent solicitations statement. On July 18, 2011, the Issuers amended the pricing terms of the tender offers and consent solicitations for their Senior Notes.

On July 19, 2011, the Company announced that the Issuers received the requisite consents from holders of the Senior Subordinated Notes to adopt the proposed amendments that were the subject of the consent solicitation for such Notes. The Issuers did not receive the requisite consents from holders of the Senior Notes to adopt the proposed amendments that were the subject of the consent solicitation for such Notes.

On August 4, 2011, the tender offers and consent solicitations for the Senior Notes expired. On August 25, 2011, the Issuers purchased $20,455,000 of Senior Subordinated Notes tendered in connection with the related tender offer and consent solicitation.

Senior Secured Intercompany Loan Agreement

In connection with the proposed Merger, Reynolds, through one of its subsidiaries, loaned $2,078 million to certain subsidiaries of the Company pursuant to an intercompany loan agreement evidenced by a senior secured intercompany note. The proceeds of the loan made on the closing date of the Merger were used to repay amounts owed under the Company s Credit Agreement, to pay related fees and expenses and to pay transaction costs associated with the

Merger.

The loan made on the closing date of the Merger bears interest at a rate equal to LIBOR (subject to a LIBOR floor of 1.50%), plus 4.50% per annum and will mature on or about October 15, 2018. The principal of the loan made on the closing date of the Merger is subject to quarterly amortization at a rate equal to 7.5% per annum, which increases to 10% per annum commencing in January, 2013. Such amortization payments are due quarterly and may be funded through committed additional loans under the intercompany loan agreement. The intercompany loan agreement contains a cash flow sweep covenant under which the borrowers are

Table of Contents

Graham Packaging Company Inc.

Notes to consolidated financial statements (Continued)

30. Subsequent events (continued)

required to make periodic cash sweep payments to repay the principal balance of the loans, based on 50% of excess cash flow.

Change of Control Offer

The Company commenced a change of control offer with respect to the Company s senior notes due 2017 and senior notes due 2018 to repurchase for cash at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase, as required by the applicable indentures. Holders of $239.8 million aggregate principal amount of the senior notes due 2017 and $230.6 million aggregate principal amount of the senior notes due 2018 tendered their notes in the change of control offer prior to its expiration on October 17, 2011.

31. Satisfaction and discharge of Notes and condensed guarantor data

Following the consummation of the merger between the Company and Reynolds on September 8, 2011, and the satisfaction and discharge of the Notes on March 16, 2012, the Company and certain of its subsidiaries (the Guarantor Subsidiaries) became guarantors of certain notes issued by Reynolds (the Reynolds Notes) by executing supplemental indentures to the indentures governing the Reynolds Notes. As a result of the consummation of the merger on September 8, 2011 as discussed above, each of the Guarantor Subsidiaries became 100% owned by Reynolds Group Holdings Limited. The Notes are guaranteed to the extent permitted by law and are subject to certain customary guarantee release provisions set forth in the indentures governing the Notes on a joint and several basis by each Guarantor Subsidiary.

The following condensed consolidating information presents, in separate columns, the condensed consolidating balance sheet as of December 31, 2010, and the related condensed consolidating statement of operations and condensed consolidating statement of cash flows for the year ended December 31, 2010, for (i) the Guarantors, including the Company and the Guarantor Subsidiaries on a combined basis, with their investments in other subsidiaries recorded under the equity method, (ii) the Non-Guarantors on a combined basis, (iii) eliminating entries necessary to consolidate the Guarantors and the Non-Guarantors, and (iv) the Company on a consolidated basis.

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating balance sheet
As of December 31, 2010

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
ASSETS				
Current assets:				
Cash and cash equivalents	$ 115,805	$ 37,159	$	$ 152,964
Accounts receivable, net	140,201	76,167		216,368
Inventories	203,203	43,963		247,166
Deferred income taxes	8,330	6,286		14,616
Prepaid expenses and other current assets	26,379	15,984		42,363
Total current assets	493,918	179,559		673,477
Property, plant and equipment, net	914,420	288,722		1,203,142
Intangible assets, net	189,187	6,593		195,780
Goodwill	590,214	52,850		643,064
Net intercompany	105,823		(105,823)	
Investment in subsidiaries	294,786		(294,786)	
Other non-current assets	76,656	14,708		91,364
Total assets	$ 2,665,004	$ 542,432	$ (400,609)	$ 2,806,827
LIABILITIES AND EQUITY (DEFICIT)				
Current liabilities:				
Current portion of long-term debt	$ 16,749	$ 17,258	$	$ 34,007
Accounts payable	108,266	34,319		142,585
Accrued expenses and other current liabilities	149,636	46,796		196,432
Deferred revenue	26,708	5,763		32,471
Total current liabilities	301,359	104,136		405,495
Long-term debt	2,794,980	3,844		2,798,824
Deferred income taxes	21,400	11,028		32,428
Other non-current liabilities	77,989	22,815		100,804
Net intercompany		105,823	(105,823)	
Commitments and contingent liabilities				
Equity (deficit):				
Graham Packaging Company Inc. stockholders equity (deficit):				
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 0 shares issued and outstanding				
	633			633

Common stock, $0.01 par value, 500,000,000 shares authorized, shares issued and outstanding 63,311,512				
Additional paid-in capital	459,422			459,422
Retained earnings (deficit)	(977,318)			(977,318)
Notes and interest receivable for ownership interests	(4,838)			(4,838)
Accumulated other comprehensive income (loss)	(22,508)			(22,508)
Graham Packaging Company Inc. stockholders equity (deficit)	(544,609)			(544,609)
Noncontrolling interests	13,885			13,885
Equity (deficit)	(530,724)			(530,724)
Partners capital (deficit)		294,786	(294,786)	
Total liabilities and equity (deficit)	$ 2,665,004	$ 542,432	$ (400,609)	$ 2,806,827

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of operations
For the year ended December 31, 2010

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Net sales	$ 1,983,509	$ 529,224	$	$ 2,512,733
Cost of goods sold	1,628,395	447,889		2,076,284
Gross profit	355,114	81,335		436,449
Selling, general and administrative expenses	151,606	29,753		181,359
Asset impairment charges	4,890	4,731		9,621
Net loss on disposal of property, plant and equipment	2,339	1,419		3,758
Operating income	196,279	45,432		241,711
Interest expense, net	180,404	4,514		184,918
Net loss on debt extinguishment	31,132			31,132
Write-off of amounts in accumulated other comprehensive income related to interest rate swaps	6,988			6,988
Increase in income tax receivable obligations	4,971			4,971
Other (income) expense, net	(6,179)	8,792		2,613
Equity in earnings of subsidiaries	(26,560)		26,560	
Income (loss) before income taxes	5,523	32,126	(26,560)	11,089
Income tax (benefit) provision	(56,266)	5,566		(50,700)
Net income (loss)	61,789	26,560	(26,560)	61,789
Net income attributable to noncontrolling interests	7,077			7,077
Net income (loss) attributable to Graham Packaging Company Inc. stockholders	$ 54,712	$ 26,560	$ (26,560)	$ 54,712

Table of Contents

Graham Packaging Company Inc.

Condensed consolidating statement of cash flows
For the year ended December 31, 2010

	Guarantors	Non-Guarantors	Eliminations	Consolidated
		(In thousands)		
Operating activities:				
Net cash provided by operating activities	$ 147,344	$ 82,743	$	$ 230,087
Investing activities:				
Net cash paid for property, plant and equipment	(88,171)	(68,317)		(156,488)
Acquisitions of/investments in businesses, net of cash acquired	(559,264)	(19,785)		(579,049)
Intercompany investing activities	(17,947)	5	17,942	
Cash paid for sale of business	(301)	246		(55)
Net cash (used in) provided by investing activities	(665,683)	(87,851)	17,942	(735,592)
Financing activities:				
Proceeds from issuance of long-term debt	600,119	108,722		708,841
Payment of long-term debt	(225,991)	(107,472)		(333,463)
Intercompany financing activities	(5)	17,947	(17,942)	
Debt issuance fees	(35,856)			(35,856)
Proceeds from the issuance of common stock, net of underwriting discount of $11.3 million	171,055			171,055
Payment of other expenses for the issuance of common stock	(5,669)			(5,669)
Repayment of notes and interest for ownership interests	1,882			1,882
Proceeds from issuance of ownership interests	4,344			4,344
Net cash provided by (used in) financing activities	509,879	19,197	(17,942)	511,134
Effect of exchange rate changes on cash and cash equivalents		(473)		(473)
(Decrease) increase in cash and cash equivalents	(8,460)	13,616		5,156
Cash and cash equivalents at beginning of year	124,265	23,543		147,808
Cash and cash equivalents at end of year	$ 115,805	$ 37,159	$	$ 152,964

Table of Contents

Reynolds Group Issuer Inc.
Reynolds Group Issuer LLC
Reynolds Group Issuer (Luxembourg) S.A.

Offer to Exchange

$1,125,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for
$1,125,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

450,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for
450,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

$1,000,000,000 Outstanding 8.500% Senior Notes due 2018 and Related Guarantees for
$1,000,000,000 Registered 8.500% Senior Notes due 2018 and Related Guarantees

$1,500,000,000 Outstanding 7.125% Senior Secured Notes due 2019 and Related Guarantees for
$1,500,000,000 Registered 7.125% Senior Secured Notes due 2019 and Related Guarantees

$1,500,000,000 Outstanding 9.000% Senior Notes due 2019 and Related Guarantees for
$1,500,000,000 Registered 9.000% Senior Notes due 2019 and Related Guarantees

$1,500,000,000 Outstanding 7.875% Senior Secured Notes due 2019 and Related Guarantees for
$1,500,000,000 Registered 7.875% Senior Secured Notes due 2019 and Related Guarantees

$1,000,000,000 Outstanding 9.875% Senior Notes due 2019 and Related Guarantees for
$1,000,000,000 Registered 9.875% Senior Notes due 2019 and Related Guarantees

$1,000,000,000 Outstanding 6.875% Senior Secured Notes due 2021 and Related Guarantees for
$1,000,000,000 Registered 6.875% Senior Secured Notes due 2021 and Related Guarantees

and

$1,000,000,000 Outstanding 8.250% Senior Notes due 2021 and Related Guarantees for
$1,000,000,000 Registered 8.250% Senior Notes due 2021 and Related Guarantees

PROSPECTUS

, 2012

Dealer Prospectus Delivery Obligation

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuers have agreed that, for a period of (i) in the case of an exchange dealer or initial purchaser, 180 days after the expiration date and (ii) in the case of any broker-dealer, 90 days after the expiration date, it will make this prospectus available to any such exchange dealer, initial purchaser or broker-dealer for use in connection with any such resale. See Plan of Distribution.

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. *INDEMNIFICATION OF DIRECTORS AND OFFICERS*

California Registrants

(a) Graham Packaging PX, LLC is a limited liability company organized under the laws of California.

Under Section 17155 of the California Limited Liability Company Act, except for a breach of duty as set forth in Section 17513 of the California Limited Liability Act, the articles of organization or written operating agreement of a limited liability company may provide for indemnification of any person, including, without limitation, any manager, member, officer, employee or agent of the limited liability company, against judgments, settlements, penalties, fines or expenses of any kind incurred as a result of acting in that capacity. A limited liability company shall have the power to purchase and maintain insurance on behalf of any manager, member, officer, employee or agent of the limited liability company against any liability asserted against or incurred by the person in that capacity or arising out of the person s status as a manager, member, officer, employee or agent of the limited liability company.

(b) Graham Packaging PX Company is a general partnership formed under the laws of California.

Section 16401 of the California Corporation Code states that a partnership shall reimburse a partner for payments made and indemnify a partner for liabilities incurred by the partner in the ordinary course of the business of the partnership or for the preservation of its business or property.

The Partnership Agreement of Graham Packaging PX Company provides that the partners shall not be liable to the partnership or to any other partner for any acts performed within the scope of the authority conferred on them by the Partnership Agreement. It also provides that any liability of the Partnership shall first be satisfied out of the assets of the Partnership (including the proceeds of any insurance which the Partnership may recover and any capital contributors), and if such assets shall not be sufficient to satisfy such liability, such liability shall be borne by the partners.

Delaware Registrants

(a) Each of Bakers Choice Products, Inc., Blue Ridge Holding Corp., Blue Ridge Paper Products Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging International (US) Inc., Evergreen Packaging USA Inc., GPC Capital Corp. I, GPC Capital Corp. II, Graham Packaging Acquisition Corp., Graham Packaging Company Inc., Graham Packaging PET Technologies Inc., Graham Packaging Plastic Products Inc., Graham Packaging Regioplast STS Inc., Graham Packaging PX Holding Corporation, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Kama Inc., Reynolds Presto Products Inc., Closure Systems International Packaging Machinery Inc., Reynolds Services Inc. and SIG Combibloc Inc. is incorporated under the laws of the state of Delaware.

Section 102(b)(7) of the General Corporation Law of the State of Delaware, or the DGCL, permits a Delaware corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of directors to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. This provision, however, may not eliminate or limit a director s liability (1) for breach of the director s duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit. The certificate of incorporation of each of Bakers Choice Products, Inc., Blue Ridge Holding Corp., Blue Ridge Paper Products Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure

Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging USA Inc., GPC Capital Corp. I, GPC Capital Corp. II, Graham Packaging Acquisition Corp., Graham Packaging PET Technologies Inc., Graham Packaging Regioplast STS Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Kama Inc., Reynolds Presto Products Inc., Reynolds Services Inc. and SIG Combibloc Inc. contains such a provision. The certificate of incorporation of each of Evergreen Packaging International (US) Inc., Graham Packaging Plastic Products Inc., Graham Packaging PX Holding Corporation, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc. and Closure Systems International Packaging Machinery Inc. does not contain such a provision.

Section 145(a) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person s conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The certificate of incorporation and bylaws of each of Blue Ridge Holding Corp. and Blue Ridge Paper Products Inc. provide that to the extent not prohibited by law, the corporation shall indemnify any person who is or was made, or threatened to be made, a party to any action, suit or proceeding by reason of the fact that such person is or was a director or officer of the corporation, or, at the request of the corporation, is or was serving as a director or officer of another corporation or in a capacity with comparable authority and responsibilities for another enterprise, against judgments, fines, penalties, excise taxes, amounts paid in settlement and costs, charges and expenses (including attorneys fees, disbursements and other charges). The certificate of incorporation of each of PWP Industries, Inc. and Prairie Packaging, Inc. provide that the corporation shall indemnify, in accordance with and to the fullest extent now or hereafter permitted by the DGCL, any person who is or was a party, or is or was threatened to be made a party, to any action, suit or proceeding by reason of the fact that he or she is or was a director or officer of the corporation against any liability or expense actually and reasonably incurred by such person in respect thereof; provided, however, that the corporation is not required to indemnify a director or officer of the corporation in connection with an action, suit or proceeding initiated by such person, unless such action, suit or proceeding was authorized by the board of directors of the corporation. The certificate of incorporation of each of Graham Packaging Plastic Products Inc. and

Reynolds Packaging Kama Inc. provides that the corporation shall, to the extent not prohibited by law, indemnify any person who is or was made, or threatened to be made, a party to any action,

Table of Contents

suit or proceeding by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving in any capacity at the request of the corporation for another enterprise, against judgments, fines, penalties, excise taxes, amounts paid in settlement and costs, charges and expenses (including attorneys fees and disbursements).

The bylaws of each of Bakers Choice Products, Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging International (US) Inc., Evergreen Packaging USA Inc., Graham Packaging Acquisition Corp., Graham Packaging Company Inc., Graham Packaging PET Technologies Inc., Graham Packaging Plastic Products Inc., Graham Packaging Regioplast STS Inc., Graham Packaging PX Holding Corporation, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Presto Products Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Inc., Reynolds Packaging Kama Inc., Closure Systems International Packaging Machinery Inc., Reynolds Services Inc. and SIG Combibloc Inc. provide that the corporation shall indemnify, to the full extent permitted by the DGCL and other applicable law, any person who was or is a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that (i) such person is or was serving or has agreed to serve as a director or officer of the corporation, (ii) such person, while serving as a director or officer of the corporation, is or was serving or has agreed to serve at the request of the corporation as a director, officer, employee, manager, or agent of another enterprise, or (iii) such person is or was serving or has agreed to serve at the request of the corporation as a director, officer or manager of another enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on behalf of such person in a proceeding (including any appeal therefrom) other than a proceeding by or in the right of the corporation, or against expenses (including attorneys fees) actually and reasonably incurred by such person or on behalf of such person in connection with the defense or settlement of a proceeding by or in the right of the corporation and any appeal therefrom. The bylaws of each of Bakers Choice Products, Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging International (US) Inc., Evergreen Packaging USA Inc., Graham Packaging Company Inc., Graham Packaging PX Holding Corporation, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Presto Products Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Inc., Reynolds Packaging Kama Inc., Closure Systems International Packaging Machinery Inc., Reynolds Services Inc. and SIG Combibloc Inc. do not, however, require the corporation to indemnify a present or former director or officer in respect of a proceeding (or part thereof) initiated by such person, unless such proceeding (or part thereof) has been authorized by the board of directors or the indemnification requested is in respect of expenses incurred in connection with establishing such person s right of indemnification. The bylaws of each of GPC Capital Corp. I and GPC Capital Corp. II provide that, to the fullest extent permitted by law, the corporation shall indemnify current or former directors or officers of the corporation, and may indemnify current or former employees or agents of the corporation, against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed action, suit or proceeding to which such person was or is a party or is threatened to be made a party by reason of such person s current or former position or by reason of the fact that such person is or was serving, at the request of the corporation, as a director, officer, partner, trustee, employee or agent of another enterprise.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 of the DGCL, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith.

II-3

Table of Contents

The certificate of incorporation and bylaws of each of Blue Ridge Holding Corp. and Blue Ridge Paper Products Inc. provide that any person entitled to indemnification or advancement of expenses under the provisions thereof shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or advancement of expenses, in whole or in part, in any such proceeding. The certificate of incorporation of Reynolds Packaging Kama Inc. provides that any person entitled to indemnification or advancement of expenses under the certificate of incorporation shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or advancement of expenses, in whole or in part, in any such proceeding.

The bylaws of each of Bakers Choice Products, Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging International (US) Inc., Evergreen Packaging USA Inc., Graham Packaging Acquisition Corp., Graham Packaging Company Inc., Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Presto Products Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Inc., Reynolds Packaging Kama Inc., Closure Systems International Packaging Machinery Inc., Reynolds Services Inc. and SIG Combibloc Inc. provide that to the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any proceeding referred to in its bylaws or in defense of any claim, issue or matter therein, such person shall be indemnified by the corporation for expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith. The bylaws of each of Graham Packaging PET Technologies Inc., Graham Packaging Plastic Products Inc., Graham Packaging Regioplast STS Inc., and Graham Packaging PX Holding Corporation provide that any person entitled to indemnification or advancement of expenses under the bylaws shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or advancement of expenses, in whole or in part, in any such proceeding.

Section 145(e) of the DGCL permits a Delaware corporation to advance litigation expenses, including attorneys fees, incurred by present and former directors and officers prior to the final disposition of the relevant proceedings. The advancement of expenses to a present director or officer is conditioned upon receipt of an undertaking by or on behalf of such director or officer to repay the advancement if it is ultimately determined that such director or officer is not entitled to be indemnified by the corporation. Advancement to former officers and directors may be conditioned upon such terms and conditions, if any, as the corporation may deem appropriate.

The certificate of incorporation and bylaws of each of Blue Ridge Holding Corp. and Blue Ridge Paper Products Inc. and the certificate of incorporation of Reynolds Packaging Kama Inc. provide that the corporation shall advance to any director or officer entitled to indemnification the funds necessary for the payment of expenses (including attorneys fees and disbursements) incurred in connection with any proceeding in advance of the final disposition of such proceeding, provided, however, that, if required by the DGCL, such expenses incurred by or on behalf of any director or officer may only be paid by the corporation in advance of the final disposition of a proceeding upon receipt by the corporation of an undertaking to repay any such amount so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified for such expenses.

The bylaws of each of Bakers Choice Products, Inc., Closure Systems International Inc., Closure Systems International Americas, Inc., Closure Systems International Holdings Inc., CSI Sales & Technical Services Inc., Evergreen Packaging Inc., Evergreen Packaging International (US) Inc., Evergreen Packaging USA Inc., Graham Packaging Acquisition Corp., Graham Packaging Company Inc., Graham Packaging PET Technologies Inc., Graham Packaging Plastic Products Inc., Graham Packaging Regioplast STS Inc., Graham Packaging PX Holding Corporation, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., Reynolds Consumer Products Inc., Reynolds Flexible Packaging Inc., Reynolds Group

Holdings Inc., Reynolds Group Issuer Inc., Reynolds Manufacturing, Inc., RenPac Holdings Inc., Reynolds Packaging Kama Inc., Closure Systems International Packaging Machinery Inc., Reynolds Presto Products Inc., Reynolds Services Inc. and SIG Combibloc Inc. provide that the corporation shall advance all expenses (including attorneys fees) incurred by a present or former director or officer in defending any proceeding prior to the final disposition of such proceeding upon the written request of such person and delivery of an undertaking by such person to repay such amount if it is ultimately determined that the director or officer is not entitled to be indemnified by the corporation for such expenses.

Section 145(g) of the DGCL specifically allows a Delaware corporation to purchase liability insurance on behalf of its directors and officers and to insure against potential liability of such directors and officers regardless of whether the corporation would have the power to indemnify such directors and officers under Section 145 of the DGCL.

(b) Each of Reynolds Group Issuer LLC, Closure Systems Mexico Holdings LLC, CSI Mexico LLC, Reynolds Packaging LLC, Reynolds Food Packaging LLC, Pactiv Factoring LLC, Pactiv RSA LLC, Pactiv Retirement Administration LLC, Pactiv Management Company LLC, Pactiv LLC, Reynolds Consumer Products Holdings LLC, Reynolds Packaging Holdings LLC, SIG Holding USA, LLC, BPC/Graham Holdings L.L.C., GPC Holdings LLC, GPC Opco GP LLC, GPC Sub GP LLC, GPACSUB LLC, Graham Packaging GP Acquisition LLC and Graham Packaging LP Acquisition LLC is organized as a limited liability company under the laws of the state of Delaware.

Section 18-108 of the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.) (the Delaware LLC Act) provides that, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a limited liability company may, and shall have the power, to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. In accordance with Section 18-108 of the Delaware LLC Act, Section 6.3 of the Amended and Restated Limited Liability Company Agreement of CSI Mexico LLC, dated as of February 29, 2008 (the CSI Mexico LLC Agreement), Section 6.3 of the Amended and Restated Limited Liability Company Agreement of Closure Systems Mexico Holdings LLC, dated as of February 29, 2008 (the CSI Mexico Holdings LLC Agreement), Section 6.3 of the Amended and Restated Limited Liability Company Agreement of Reynolds Packaging LLC, dated as of February 29, 2008 (the Reynolds Packaging LLC Agreement), and Section 6.3 of the Amended and Restated Limited Liability Company Agreement of Reynolds Food Packaging LLC, dated as of February 29, 2008 (the Reynolds Food LLC Agreement), each provides that, to the fullest extent permitted by applicable law, the members and any of their or the limited liability company s directors, officers, employees, shareholders, agents or representatives (each, a Covered Person) shall be entitled to indemnification from the limited liability company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the limited liability company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person s gross negligence or willful misconduct with respect to such acts or omissions. Any indemnity under Section 6.3 of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement must be provided out of and to the extent of the limited liability company s assets only, and no Covered Person shall have any personal liability on account thereof. Similarly, Section 19 of the Limited Liability Company Agreement of Reynolds Group Issuer LLC, dated as of October 8, 2009 (the Reynolds Group LLC Agreement), provides that, to the full extent permitted by applicable law, each officer of the limited liability company (each, a Reynolds Group Covered Person) shall be entitled to indemnification from the limited liability company for any loss, damage or claim incurred by such Reynolds Group Covered Person by reason of any act or omission performed or omitted by such Reynolds Group Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such Reynolds Group Covered Person by the limited liability company agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Reynolds Group Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions. Likewise, Section 18 of the Amended and Restated Limited Liability Company Agreement of Pactiv Factoring LLC, dated November 16, 2010 (the Pactiv Factoring LLC Agreement), Section 18 of the Amended and Restated Limited Liability Company Agreement of Pactiv RSA LLC, dated November 16, 2010 (the Pactiv RSA LLC Agreement), Section 18 of

the Amended and Restated Limited Liability Company Agreement of Pactiv Retirement Administration LLC, dated November 16, 2010 (the Pactiv Retirement LLC Agreement), Section 18 of the Limited Liability Company Agreement of Pactiv LLC, dated December 31, 2011 (the Pactiv LLC Agreement), Section 18 of the Limited Liability Company Agreement of Reynolds Consumer Products Holdings LLC, dated December 31, 2011 (the Reynolds Consumer Products Holdings LLC Agreement), Section 18 of the Limited Liability Company Agreement of Reynolds Packaging Holdings LLC, dated December 31, 2011 (the Reynolds Packaging Holdings LLC Agreement), Section 18 of the Limited Liability Company Agreement of SIG Holding USA, LLC, dated December 31, 2011 (the SIG Holding USA, LLC Agreement) and Section 18 of the Limited Liability Company Agreement of Pactiv Management LLC, dated November 16, 2010 (the Pactiv Management LLC Agreement), each provides that, to the full extent permitted by applicable law, the sole member, each director and each officer (each, a Section 18 Covered Person) shall be entitled to indemnification from the limited liability company for any loss, damage or claim incurred by such Section 18 Covered Person by reason of any act or omission performed or omitted by such Section 18 Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such Section 18 Covered Person by the limited liability company agreement, except that no Section 18 Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Section 18 Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions. Section 18 of the Limited Liability Company Agreement of GPC Holdings LLC, dated July 13, 2011 (the GPC Holdings LLC Agreement), provides that, to the full extent permitted by applicable law, each officer of the limited liability company (each, a GPC Holdings Covered Person) shall be entitled to indemnification from the limited liability company for any loss, damage or claim incurred by such GPC Holdings Covered Person by reason of any act or omission performed or omitted by such GPC Holdings Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such GPC Holdings Covered Person by the limited liability company agreement, except that no GPC Holdings Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such GPC Holdings Covered Person by reason of gross negligence or willful misconduct with respect to such acts or omissions.

Section 18-406 of the Delaware LLC Act provides that a member, manager or liquidating trustee of a limited liability company shall be fully protected in relying in good faith upon the records of the limited liability company and upon information, opinions, reports or statements presented by another manager, member or liquidating trustee, an officer or employee of the limited liability company, or committees of the limited liability company, members or managers, or by any other person as to matters the member, manager or liquidating trustees reasonably believes are within such other person s professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the limited liability company, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the limited liability company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to members or creditors might properly be paid. Consistent therewith, Section 6.2(b) of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement provides that a Covered Person shall be fully protected in relying in good faith upon the records of the limited liability company and upon such information, opinions, reports or statements presented to the limited liability company by any person or entity as to matters the Covered Person reasonably believes are within such person s or entity s professional or expert competence.

Section 18-1101(d) of the Delaware LLC Act provides that unless otherwise provided in a limited liability company agreement, a member or manager or other person shall not be liable to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement for breach of fiduciary duty for the member s or manager s or other person s good faith reliance on the provisions of the limited liability company agreement. Likewise, Section 6.2(a) of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds

Food LLC Agreement provides that to the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the limited liability company, a Covered Person acting under the limited liability company agreement shall not be liable to the limited liability company for such Covered Person s good faith reliance on the provisions of the limited liability company agreement.

Section 18-1101(e) of the Delaware LLC Act permits a limited liability company agreement to limit or eliminate any and all liabilities for breach of contract and breach of duties (including fiduciary duties) of a member, manager or other person to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement. However, under Section 18-1101(e) of the Delaware LLC Act, a limited liability company agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing. In connection therewith, Section 6.1(b) of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement provides that no Covered Person shall be liable to the limited liability company for any loss, liability, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the limited liability company, except that a Covered Person shall be liable for any loss, liability, damage or claim incurred by reason of such Covered Person s gross negligence or willful misconduct. Section 6.2(a) of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement further provides that the provisions of such limited liability company agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the parties thereto to replace such other duties and liabilities of such Covered Person. In addition, Section 6.2(a) of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement provides that whenever in the limited liability company agreement a Covered Person is permitted or required to make decisions in good faith, the Covered Person shall act under such standard and shall not be subject to any other or different standard imposed by the limited liability company agreement or any relevant provisions of law or in equity or otherwise. Furthermore, Section 19 of the Reynolds Group LLC Agreement provides that no Reynolds Group Covered Person shall be liable to the limited liability company, the sole member, any other person or entity who or that has an interest in the limited liability company or any other Reynolds Group Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Reynolds Group Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such Reynolds Group Covered Person by the limited liability company agreement, except that a Reynolds Group Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Reynolds Group Covered Person s gross negligence or willful misconduct. Finally, Section 18 of each of the Pactiv Factoring LLC Agreement, the Pactiv RSA LLC Agreement, the Pactiv Retirement LLC Agreement, the Pactiv Management LLC Agreement, the Pactiv LLC Agreement, the Reynolds Consumer Products Holdings LLC Agreement, the Reynolds Packaging Holdings LLC Agreement and the SIG Holding USA, LLC Agreement provides that no Section 18 Covered Person shall be liable to the limited liability company, the sole member, any other person or entity who or that has an interest in the limited liability company or any other Pactiv LLC Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Section 18 Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such Section 18 Covered Person by the limited liability company agreement, except that a Section 18 Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Section 18 Covered Person s gross negligence or willful misconduct. Likewise, Section 18 of the GPC Holdings LLC Agreement provides that no GPC Holdings Covered Person shall be liable to the limited liability company, the sole member, any other person or entity who or that has an interest in the limited liability company or any other GPC Holdings Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such GPC Holdings Covered Person in good faith on behalf of the limited liability company and in a manner reasonably believed to be within the scope of the authority conferred on such GPC Holdings Covered Person by the limited liability company agreement, except that a GPC Holdings Covered Person shall be liable for any such loss, damage or claim incurred by reason of such GPC Holdings Covered Person s gross negligence or willful misconduct.

Table of Contents

In addition, Section 6.4 of each of the CSI Mexico LLC Agreement, the CSI Mexico Holdings LLC Agreement, the Reynolds Packaging LLC Agreement and the Reynolds Food LLC Agreement provides that to the extent permitted by applicable law, expenses (including reasonable attorneys fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of the performance of his or her duties on behalf of the limited liability company may, from time to time and at the discretion of the board of directors of the limited liability company, be advanced by the limited liability company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the limited liability company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined that the Covered Person is not entitled to be indemnified as authorized in Section 6.3 of such limited liability company agreement.

Each of the Limited Liability Company Agreement of BCP/Graham Holdings L.L.C., dated as of December 12, 1997, the Limited Liability Company Agreement of GPC Opco GP LLC, dated as of January 5, 1998, the Limited Liability Company Agreement of GPC SUB GP LLC, dated as of January 5, 1998, the Amended and Restated Limited Liability Company Agreement of GPACSUB LLC, dated as of August 19, 2011, the Limited Liability Company Agreement of Graham Packaging GP Acquisition LLC, dated as of August 31, 2010 and the Limited Liability Company Agreement of Graham Packaging LP Acquisition LLC, dated as of August 31, 2010, is silent as to indemnification.

(c) Each of Graham Packaging Company, L.P. and Graham Packaging LC, L.P. is organized as a limited partnership under the laws of the state of Delaware.

Section 17-108 of the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 et seq.) (DRULPA) provides that, subject to such standards and restrictions, if any, as are set forth in its partnership agreement, a limited partnership may, and shall have the power to, indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever. In accordance with Section 17-108 of DRULPA, Section 6.3(a) of the Amended and Restated Agreement of Limited Partnership of Graham Packaging Company, L.P., dated as of February 2, 1998 (the Graham Packaging Company Agreement), provides that the partnership shall indemnify, defend and hold harmless, to the fullest extent not prohibited by law, a general partner and each of such general partner s affiliates and their respective partners, shareholders, officers, directors, employees and agents (each, a Graham Packaging Company Covered Person), from and against any claim, loss or liability of any nature whatsoever (including attorneys fees) arising out of or in connection with the assets or business of the partnership, unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted intentional misconduct or a knowing violation of law by such Graham Packaging Covered Person or (in the case of a general partners only) a breach by a general partner of any of the material terms and provisions of the Graham Packaging Company Agreement. The Graham Packaging Company Agreement further provides that the foregoing obligation of the partnership shall be satisfied only out of the assets of the partnership and under no circumstances shall any recourse be available against a general partner or any other partner or the assets of any partner. Expenses incurred by a partner or other person or entity in defending any action or proceeding against which indemnification may be made pursuant to Section 6.3 of the Graham Packaging Company Agreement shall be paid by the partnership in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such person or entity to repay such amount if it shall ultimately be determined that it was not entitled to be indemnified by the partnership. The Graham Packaging Company Agreement further provides that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 6.3 thereof shall continue as to a person or entity who has ceased to serve in the capacity as to which it was indemnified and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity. Additionally, under Section 10.3 of the Graham Packaging Company Agreement, the partnership shall indemnify each partner from and against any damage, liability, loss, cost or deficiency (including, but not limited to, reasonable attorneys fees) which each such partner pays or becomes obligated to pay on account of the imposition upon or assessment against such partner of any obligation or liability of the partnership. The Graham Packaging Company Agreement further provides that the foregoing shall be satisfied only out of the assets of the partnership and under no circumstances shall any recourse be available against a general partner or any other partner or the assets of any partner with respect thereto.

Table of Contents

Section 17-407(a) of DRULPA provides that a limited partner or liquidating trustee of a limited partnership shall be fully protected in relying in good faith upon the records of the limited partnership and upon information, opinions, reports or statements presented by a general partner of the limited partnership, an officer or employee of a general partner of the limited partnership, another liquidating trustee, or committees of the limited partnership, limited partners or partners, or by any other person as to matters the limited partner or liquidating trustee reasonably believes are within such other person s professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the limited partnership, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the limited partnership or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to partners or creditors might properly be paid.

Section 17-407(c) of DRULPA provides that a general partner of a limited partnership that is not a limited liability limited partnership shall be fully protected from liability to the limited partnership, its partners or other persons party to or otherwise bound by the partnership agreement in relying in good faith upon the records of the limited partnership and upon information, opinions, reports or statements presented by another general partner of the limited partnership, an officer or employee of the limited partnership, a liquidating trustee, or committees of the limited partnership, limited partners or partners, or by any other person as to matters the general partner reasonably believes are within such other person s professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the limited partnership, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the limited partnership or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to partners or creditors might properly be paid. Consistent therewith, Section 6.3(b) of the Graham Packaging Company Agreement provides that a general partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it and any opinion of any such person or entity as to matters which such general partner believes to be within such person s or entity s professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by a general partner in accordance with such opinion. A general partner may also rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, agreement, report, notice, request, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 17-1101(e) of DRULPA provides that unless otherwise provided in a partnership agreement, a partner or other person shall not be liable to a limited partnership or to another partner or to another person that is a party to or is otherwise bound by a partnership agreement for breach of fiduciary duty for the partner s or other person s good faith reliance on the provisions of the partnership agreement.

Section 17-1101(f) of DRULPA permits a partnership agreement to limit or eliminate any and all liabilities for breach of contract and breach of duties (including fiduciary duties) of a partner or other person to a limited partnership or to another partner or to another person that is a party to or is otherwise bound by a partnership agreement. However, under Section 17-1101(f) of DRULPA a partnership agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

The Fifth Amended and Restated Agreement of Limited Partnership of Graham Packaging LC, L.P., dated as of September 6, 2011, is silent as to indemnification.

Table of Contents

Louisiana Registrant

Statutory Provisions

The Louisiana Business Corporation Law (La. R.S. § 12:1 et seq.) (the LBCL) provides for both mandatory and discretionary indemnification of officers and directors. The discretionary rights are set forth in Section 83(A) of the LBCL, which provides as follows:

A corporation may indemnify any person who was or is a party or is threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative or investigative, including any action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another business, foreign or nonprofit corporation, partnership, joint venture, or other enterprise against expenses, including attorneys fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

La. R.S. § 12:83(A)(1). The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendre or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful. La. R.S. § 12:83(A)(3).

With respect to actions by or in the name of the corporation, the power of the corporation to indemnify is more limited. First, the indemnity shall be limited to expenses, including attorneys fees and amounts paid in settlement not exceeding the board of directors estimate of the expense of litigating the matter to conclusion. La. R.S. § 12:83(A)(2). Further, a person is not entitled to indemnity if he is found to be liable for willful or intentional misconduct in the performance of his duty, unless, in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 83(B) of the LBCL sets forth the mandatory indemnification rights of officers or directors in certain situations. It provides that a corporation shall indemnify any director, officer, employee or agent who has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding to which such person was a party because of his position with the corporation, or because he served at the request of the corporation as a director, officer, employee or agent of another business, foreign or nonprofit corporation, partnership, joint venture or otherwise. La. R.S. § 12:83(B). Also, under Section 83(D) of the LBCL, payment of expenses in advance of final disposition of an action can be authorized by the board without regard to whether participating board members are parties to the action, upon receipt by the subject of the advance of an undertaking to repay the advance to the corporation if it is ultimately determined that he is not entitled to otherwise be indemnified under Section 83.

The provisions of the LBCL regarding indemnification are not exclusive. In addition to indemnification and advancement of expenses under the statute, Section 83(E) permits indemnification or advancement of expenses under any bylaw, agreement, authorization of shareholders or directors, regardless of whether directors authorizing such indemnification are beneficiaries thereof, or otherwise. La. R.S. § 12:83(E). There is only one specific limitation on such provisions: no such measure shall permit indemnification of any person for the results of such person s willful or intentional misconduct. Id. Section 83(F) of the LBCL also expressly empowers corporations to procure directors and officers liability insurance, commonly known as D & O insurance. La. R.S. § 12:83(F).

Bylaws

The issue of indemnification of officers and directors is addressed in Article VI of the Bylaws of Southern Plastics Inc. (the Company). Section 1 provides that every person who is or was a director, officer or employee of the Company or of any other company which such person serves or served at the request of

II-10

the Company shall, if not prohibited by law, be indemnified by the Company against reasonable expense and any liability paid or incurred by such person in connection with or resulting from any claim in which such person is involved by reason of such person s service to the Company. Section 3 mirrors Section 83(B) of the LBCL by providing for the reimbursement of any person who has been wholly successful, on the merits or otherwise, with respect to any claim. If a person is not wholly successful, Section 4 provides for a reimbursement for his reasonable expense and for any liability if a Referee (defined as independent counsel or other disinterested person selected by the directors) finds that such person acted in good faith, and with respect to any criminal matter, had no reasonable cause to believe the conduct of such person was unlawful. Section 6 provides that the rights set forth in Article VI are in addition to any other rights to which any eligible person may be otherwise entitled by contract or as a matter of law.

Minnesota Registrant

Ultra Pac, Inc. (Ultra) is incorporated under the laws of the State of Minnesota. Minnesota Statutes Section 302A.521 provides that a corporation shall indemnify any person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of such person against judgments, penalties, fines (including, without limitation excise taxes assessed against such person with respect to any employee benefit plan), settlements and reasonable expenses, including attorneys fees and disbursements, incurred by such person in connection with the proceeding, if, with respect to the acts or omissions of such person complained of in the proceeding, such person (1) has not been indemnified therefor by another organization or employee benefit plan; (2) acted in good faith; (3) received no improper personal benefit and Section 302A.255 (with respect to director conflicts of interest), if applicable, has been satisfied; (4) in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and (5) reasonably believed that the conduct was in the best interests of the corporation in the case of acts or omissions in such person s official capacity for the corporation or reasonably believed that the conduct was not opposed to the best interests of the corporation in the case of acts or omissions in such person s official capacity for other organizations.

Article 7 of Ultra s Restated Articles of Incorporation provides that a director shall not be personally liable to it or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director s duty of loyalty to Ultra or its shareholders;
- or acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Sections 302A.559 (liability for illegal distributions) and 80A.23 (civil liabilities) of the Minnesota Statutes;
- for any transactions from which the director derived any improper personal benefit; or
- for any act or omission occurring prior to the date when Article 7 of Ultra s articles became effective.

New Jersey Registrant

Indemnification of Officers and Directors

New Jersey Business Corporation Act

Newspring Industrial Corp. (Newspring) is incorporated under the laws of the State of New Jersey. The New Jersey Business Corporation Act, as amended (the NJBCA), provides that a New Jersey corporation has the power generally to indemnify its directors, officers, employees and other agents (corporate agents) against expenses and liabilities in connection with any proceeding involving such person by reason of his or her being or having been a corporate agent, other than a proceeding by or in the right of the corporation, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, such person had no reasonable cause to believe his or her conduct was unlawful.

In the case of an action brought by or in the right of the corporation, the corporation also has the power to indemnify its corporate agents against expenses in connection with any proceeding involving such person by reason of his or her being or having been a corporate agent, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; however, no indemnification is permitted in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the New Jersey Superior Court, or the court in which such proceeding was brought, shall determine upon application that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to such indemnification.

Expenses incurred by a corporate agent in connection with a proceeding may, under certain circumstances, be paid by the corporation in advance of the final disposition of the proceeding as authorized by the board of directors.

The power to indemnify and advance expenses under the NJBCA does not exclude other rights to which a corporate agent may be entitled to under a certificate of incorporation, bylaw, agreement, vote of shareholders, or otherwise, provided that no indemnification is permitted to be made to or on behalf of such person if a judgment or other final adjudication adverse to such person establishes that his or her acts or omissions were in breach of his or her duty of loyalty to the corporation or its shareholders, were not in good faith or involved a violation of the law, or resulted in the receipt by such person of an improper personal benefit.

Under the NJBCA, a New Jersey corporation has the power to purchase and maintain insurance on behalf of any corporate agent against any expenses incurred in any proceeding and any liabilities asserted against him or her by reason of his or her being or having been a corporate agent, whether or not the corporation has the power to indemnify him or her against such expenses and liabilities under the NJBCA.

All of the foregoing powers of indemnification granted to a New Jersey corporation may be exercised by such corporation notwithstanding the absence of any provision in its certificate of incorporation or bylaws authorizing the exercise of such powers. However, a New Jersey corporation may, with certain limitations, provide in its certificate of incorporation that a director or officer shall not be personally liable, or shall be liable only to the extent therein provided, to the corporation or its shareholders for damages for breach of a duty owed to the corporation or its shareholders.

Reference is made to Sections 14A:3-5 and 14A:2-7(3) of the NJBCA in connection with the above summary of indemnification, insurance and limitation of liability in the State of New Jersey.

Newspring Industrial Corp. Organization Documents

Newspring s Restated Certificate of Incorporation provides that to the fullest extent permitted by the NJBCA, no Newspring director or officer shall be personally liable to Newspring or its shareholders for damages for breach of any duty owed to Newspring or its shareholders, as a director or officer, except that a director or officer shall not be relieved from liability for any breach of duty based upon an act or omission: (a) in breach of such person s duty of loyalty to Newspring or its shareholders; (b) not in good faith or which involve a knowing violation of law; or (c) resulting in receipt by such person of an improper benefit.

Article VII of Newspring s Amended and Restated By-Laws provides that:

Every person who is or was a director, officer, employee or agent of the Corporation shall be indemnified by the Corporation to the fullest extent allowed by law, including the indemnification permitted by N.J.S. 14A:3-5(8) and any successor statute, against all liabilities and expenses imposed upon or incurred by that person in connection with any pending, threatened or completed civil, criminal, administrative or arbitrative action, suit or proceeding

(Proceeding) in which that person may be made, or threatened to be made, a party, or in which that person may become involved by reason of that person being or having been a director, officer, employee or agent of the Corporation or of serving or having served as a director, officer, employee or agent with any other enterprise at the request of the Corporation, whether or not that person is a director, officer, employee or agent or continues to serve the other enterprise at the time the liabilities or expenses are imposed or incurred. During the pendency of a Proceeding, the Corporation shall advance expenses from time to time as they are incurred, to any such present or former director, officer, employee or agent subject to the receipt by the Corporation of an undertaking of such person as required by law. Notwithstanding the foregoing, except as otherwise provided by law, the Corporation shall be required to indemnify a director, officer, employee or agent in connection with a Proceeding (or part thereof) commenced by such person only if the commencement of such Proceeding (or part thereof) by such person was authorized by the board of directors.

North Carolina Registrant

BRPP, LLC is organized under the laws of the state of North Carolina. Section 57C-3-31 of the North Carolina Limited Liability Company Act (57C NCGS 1-01, et. seq.) (the NC LLC Act) provides that unless otherwise provided in the articles of organization or a written operating agreement, a North Carolina limited liability company: (1) must indemnify every manager, director and executive in respect of payments made and personal liabilities reasonably incurred by the manager, director and executive in the authorized conduct of its business or for the preservation of its business or property; and (2) shall indemnify a member, manager, director or executive who is wholly successful, on the merits or otherwise, in the defense or any proceeding to which the person was a party because the person is or was a member, manager, director or executive of the limited liability company against reasonable expenses incurred by the person in connection with the proceeding.

Section 57C-3-32(a) of the NC LLC Act provides that subject to limitations set forth in Section 57C-3-32(b) discussed below, the articles of organization or a written operating agreement may: (1) eliminate or limit the personal liability of a manager, director or executive for monetary damages for breach of any duty provided for in NCGS 57C-3-22 (other than liability under NCGS 57C-4-07); and (2) provide for indemnification of a manager, member, director or executive for judgments, settlements, penalties, fines or expenses incurred in a proceeding to which the member, manager, director or executive is a party because the person is or was a manager, member, director or executive.

Section 57C-3-32(b) limits the indemnification that may be provided by a limited liability company, in that it may not eliminate or indemnify against: (1) acts or omissions that the manager, director or executive knew at the time of the acts or omissions were clearly in conflict with the interests of the limited liability company; (2) any transaction from which the manager, director or executive derived an improper personal benefit; or (3) acts or omissions occurring prior to the date the provision became effective, provided that indemnification pursuant to Section 57C-3-32(a) may be provided if approved by all of the members.

In accordance with Section 57C-3-32 of the NC LLC Act, Article VI, Section 6.1 of the Operating Agreement of BRPP, LLC dated as of July 11, 2000 (the BRPP Operating Agreement) provides that BRPP, LLC shall indemnify its managers and members to the fullest extent permitted or required by the NC LLC Act, as the same may be amended from time to time, and BRPP, LLC may advance expenses incurred by its manager or member upon the approval of the manager and the receipt by BRPP, LLC of an undertaking by such manager or member to reimburse BRPP, LLC unless it is ultimately determined that such member or manager is entitled to be indemnified by BRPP, LLC against such expenses. BRPP, LLC is also authorized to indemnify its employees and other representatives or agents to the fullest extent permitted under the NC LLC Act or other applicable law, provided that the indemnification is first approved by the members owning a majority in interest. A majority in interest is defined as a combination of members who, in the aggregate, own more than fifty percent (50%) of the membership interests of BRPP, LLC.

Section 6.2 of the BRPP Operating Agreement goes on to provide that the indemnification provided under the BRPP Operating Agreement shall: (1) be deemed exclusive of any other rights to which a person seeking indemnification may entitled under any statute, agreement, vote of members or disinterested managers, or otherwise, both as to action in official capacities and as to action in another capacity while holding such office; (2) continue as to a person who ceases to be a manager or member; (3) inure to the benefit of the estate, heirs, executors, administrators or other successors of an indemnitee; and (4) not be deemed to create any rights for the benefit of any other person or entity.

Table of Contents

Ohio Registrant

Graham Packaging Minster LLC is a limited liability company organized under the laws of Ohio. Section 1705.32 of the Ohio Revised Code provides, in part, that a limited liability company may indemnify or agree to indemnify any person who was or is a party, or who is threatened to be made a party, to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding, other than an action by or in the right of the company, because he or she is or was a manager, member, partner, officer, employee, or agent of the company or is or was serving at the request of the company as a manager, director, trustee, officer, employee, or agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise. The company may indemnify or agree to indemnify a person in that position against expenses, including attorney s fees, judgments, fines, and amounts paid in settlement that actually and reasonably were incurred by him or her in connection with the action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company and, in connection with any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent does not create of itself a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company and, in connection with any criminal action or proceeding, a presumption that he or she had reasonable cause to believe that his conduct was unlawful.

In accordance with this provision, the Operating Agreement of Graham Packaging Minster LLC provides that the Company shall indemnify and hold harmless each member and officer and the affiliates of any member or officer against any and all losses, claims, damages, expenses and liabilities (including, but not limited to, any investigation, legal and other reasonable expenses incurred in connection with, and any amounts paid in settlement of, any action, suit proceeding or claim) of any kind or nature whatsoever that such indemnified person may at any time become subject to or liable for by reason of the formation, operation or termination of the company, or the indemnified person s acting as a member or officer under the Amended and Restated Operating Agreement, or the authorized actions of any such indemnified person in connection with the conduct of the affairs of the company (including, without limitation, indemnification against negligence, gross negligence or breach of duty); provided, however, that no indemnified person shall be entitled to indemnification if and to the extent that the liability otherwise to be indemnified for results from (i) any act or omission of the indemnified person that involves actual fraud or willful misconduct or (ii) any transaction from which the indemnified person derived improper personal benefit.

Pennsylvania Registrants

(a) Dopaco, Inc. is incorporated under the laws of the Commonwealth of Pennsylvania.

Section 1741 of the Pennsylvania Business Corporation Law of 1988, as amended (the BCL), provides that, unless otherwise restricted in its bylaws, a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that such person is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 1742 of the BCL provides that, unless otherwise restricted in its bylaws, a corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a representative of the corporation or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other

II-14

Table of Contents

enterprise, against expenses (including attorneys fees) actually and reasonably incurred by such person in connection with the defense or settlement of the action if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation.

Section 1743 of the BCL provides that, to the extent that a representative of a corporation has been successful on the merits or otherwise in defense of any action or proceeding referred to in Section 1741 or Section 1742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred in connection therewith.

Section 6.01 of Dopaco, Inc. s bylaws provides that it shall indemnify, to the full extent permitted by the BCL and other applicable law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that (x) such person is or was serving or has agreed to serve as a director or officer of the corporation, or (y) such person, while serving as a director or officer of the corporation, is or was serving or has agreed to serve at the request of the corporation as a director, officer, employee, manager or agent of another corporation, partnership, joint venture, trust or other enterprise or (z) such person is or was serving or has agreed to serve at the request of the corporation as a director, officer or manager of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted by such person in such capacity, and who satisfies the applicable standard of conduct set forth in the BCL or other applicable law (i) in a proceeding other than a proceeding by or in the right of the corporation, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on such person s behalf in connection with such proceeding and any appeal therefrom, or (ii) in a proceeding by or in the right of the corporation to procure a judgment in its favor, against expenses (including attorneys fees) actually and reasonably incurred by such person or on such person s behalf in connection with the defense or settlement of such proceeding and any appeal therefrom. Section 6.01 further provides that, to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any proceeding referred to in the previous sentence, or in defense of any claim, issue or matter therein, such person shall be indemnified by the corporation against expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith.

(b) Graham Packaging Holdings Company and Graham Recycling Company, L.P. are limited partnerships formed under the laws of the Commonwealth of Pennsylvania.

Section 8510 of the Pennsylvania Revised Uniform Limited Partnership Act empowers a Pennsylvania limited partnership to indemnify and hold harmless any partner or other person from and against all claims and demands whatsoever, subject to such standards and restrictions, if any, set forth in the partnership agreement. Indemnification shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

The Amended and Restated Agreement of Limited Partnership of Graham Recycling Company, L.P. provides that neither the general partner nor any affiliate of the general partner nor any of the respective partners, shareholders, officers, directors, employees or agents shall be liable, in damages or otherwise, to the partnership or to the limited partner for any act or omission on its or his part, except for (i) any act or omission resulting from its or his own willful misconduct or bad faith, (ii) any breach by the general partner of its obligations as a fiduciary of the partnership or (iii) any breach by the general partner of any of the terms and provisions of the Amended and Restated Agreement of Limited Partnership. The partnership shall indemnify, defend and hold harmless, to the fullest extent permitted by law, the general partner and each of its affiliates and their respective partners, shareholders, officers, directors, employees and agents, from and against any claim or liability of any nature whatsoever arising out of or in connection with the assets or business of the partnership, except where attributable to the willful misconduct or bad faith of such individual or entity or where relating to a breach by the general partner of its obligations as a fiduciary of the partnership or to a breach by the general partner of any of the terms and provisions of the Amended and Restated Agreement of Limited Partnership.

Table of Contents

Utah Registrant

Graham Packaging West Jordan, LLC is a limited liability company organized under the laws of Utah.

Section 1802 of the Utah Revised Limited Liability Company Act (the URLLCA) provides that a company may indemnify an individual who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, because the individual is or was a manager of a company or, while a manager of the company, is or was serving at its request as a manager, member, director, officer, partner, trustee, employee, fiduciary or agent of another company or other person or of an employee benefit plan, against any obligation incurred with respect to a proceeding, including any judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses (including attorneys fees), incurred in the proceeding if: (i) the conduct of the individual was in good faith; (ii) the individual reasonably believed that the individual s conduct was in, or not opposed to, the best interests of the company; and (iii) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual s conduct was unlawful. Section 1802 of the URLLCA further provides, however, that the company may not indemnify any person thereunder: (i) in connection with a proceeding by or in the right of the company in which the person was adjudged liable to the company; or (ii) in connection with any other proceeding charging that the individual derived an improper personal benefit, whether or not involving action in the individual s official capacity, in which proceeding the individual was adjudged liable on the basis that the individual derived an improper personal benefit.

In accordance with this provision, the Operating Agreement of Graham Packaging West Jordan, LLC provides that the company shall indemnify each member from and against any damage, liability, loss, cost or deficiency (including, but not limited to, reasonable attorneys fees) which each such member pays or becomes obligated to pay on account of the imposition upon or assessment against such member of any obligation or liability of the company.

Australia Registrant

Prohibition on exemption from liability

Section 199A(1) of the Corporations Act 2001 (Cth) (Corporations Act) provides that a company, or a related body corporate, must not exempt a person (whether directly or through an interposed entity) from a liability to the company incurred as an officer or auditor of the company. The term officer is broadly defined in section 9 the Corporations Act and includes (among others) a director, secretary or other person who makes or participates in making decisions that affect the whole or a substantial part of the business of the corporation.

There are no exceptions to the prohibition on exemption from liability contained in section 199A(1). Pursuant to section 199C(2) of the Corporations Act, anything that purports to exempt a person from such liability is void.

Prohibition on indemnification (other than for legal costs)

Section 199A(2) of the Corporations Act provides that a company or a related body corporate must not indemnify a person (whether by agreement or by making a payment and whether directly or through an interposed entity) against any of the following liabilities incurred as an officer or auditor of the company:

a liability owed to the company or a related body corporate;

a liability for a pecuniary penalty order or a compensation order (made under the sections 1317G or 1317H and 1317HA of the Corporations Act respectively); and a liability that is owed to someone other than the company or a related body corporate and did not arise out of conduct in good faith.

Table of Contents

Prohibition on indemnification for legal costs

Section 199A(3) of the Corporations Act specifies circumstances where an indemnity for legal costs is prohibited. This section specifies that a company or related body corporate must not indemnify a person (whether by agreement or by making a payment and whether directly or through an interposed entity) against legal costs incurred in defending an action for a liability incurred as an officer or auditor of the company, if the costs are incurred:

in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified pursuant to section 199A(2);

in defending or resisting criminal proceedings in which the person is found guilty;

in defending or resisting proceedings brought by the Australian Securities and Investments Commission (ASIC) or a liquidator for a court order if the grounds for making the order are found by the court to have been established; or

in connection with proceedings for relief to the person under the Corporations Act in which a court denies the relief.

Prohibition on payment of insurance premiums

Section 199B of the Corporations Act provides that a company or a related body corporate must not pay, or agree to pay, a premium for a contract insuring a person who is, or has been, an officer or auditor of the company against a liability (other than one for legal costs) arising out of:

conduct involving a willful breach of duty in relation to the company; or

a contravention of section 182 or 183 of the Corporations Act (which provisions prohibit an officer of a company from making improper use of information or improper use of position).

Pursuant to section 199C(2) of the Corporations Act, anything that purports to indemnify or insure a person against a liability, or exempt them from a liability, is void to the extent that it contravenes section 199A or 199B.

Constitution of Whakatane Mill Australia Pty Limited (WMAPL)

Clause 21.1(a) of the constitution of WMAPL provides that, to the extent permitted by the Corporations Act and subject to the Corporations Act, WMAPL will indemnify each officer, director and secretary or any person who has been an officer, director or secretary of WMAPL out of the assets of WMAPL against any liability, loss, damage, cost or expense incurred or to be incurred by the officer, director or secretary in or arising out of the proper performance of the officer s, director s or secretary s duties (including, among other things, in defending any proceedings).

Clause 21.1(b) of the constitution of WMAPL clarifies that the indemnity provision in clause 21(a) is not intended to apply in relation to any liability in respect of which WMAPL must not give an indemnity and should be read down accordingly (if necessary). If an indemnity is provided that does not comply with the requirements of the Corporations Act or the Company s constitution, it will be void.

Clause 21.3 of the constitution of WMAPL also provides that to the extent permitted by the Corporations Act and subject to the Corporations Act, WMAPL may pay any premium in respect of a contract of insurance for an officer, director or secretary or any person who has been an officer, director or secretary of WMAPL in respect of the liability suffered or incurred in or arising out of the conduct of any activity of WMAPL and the proper performance by the officer, director or secretary of any duty.

Canada Registrant

Each of Evergreen Packaging Canada Limited and Pactiv Canada Inc. is incorporated under the laws of the Province of Ontario, specifically the Business Corporation Act (Ontario) (the OBCA).

Table of Contents

Under the OBCA, a corporation may indemnify its current or former directors or officers or another individual who acts or acted at that corporation s request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the corporation or other entity. The OBCA also provides that a corporation may advance moneys to such individual for costs, charges and expenses reasonably incurred in connection with such a proceeding.

However, under the OBCA, a corporation shall not indemnify such individual, and any moneys previously advanced to such individual must be repaid, unless the individual:

1. acted honestly and in good faith with a view to the best interests of the corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation s request; and

2. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

Notwithstanding the above, the OBCA provides that such individual is entitled to indemnity from the corporation if he or she was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and the individual meets the criteria outlined in 1 and 2 above.

The OBCA also provides that the corporation may purchase and maintain insurance for the benefit of such individual against any liability incurred by the individual in the individual s capacity as a director or officer of the corporation or in the individual s capacity as a director or officer or similar capacity of another entity, if the individual acts or acted in that capacity at the corporation s request.

Subject to the OBCA, the by-laws of each of Evergreen Packaging Canada Limited and Pactiv Canada Inc. require those corporations to indemnify a director or an officer, a former director or officer, or another individual who acts or acted at that corporation s request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation, or other entity.

The by-laws of Evergreen Packaging Canada Limited: (a) note that no individual may be indemnified, unless the individual (i) acted honestly and in good faith with a view to the best interests of the corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the applicable corporation s request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the individual had reasonable grounds for believing that the individual s conduct was lawful; (b) require the corporation to advance moneys to an individual who qualifies for indemnification provided that if the indemnified individual does not meet requirements (i) and (ii) outlined above, the indemnified individual shall repay the moneys; (c) require the corporation to indemnify the individual in such other circumstances as the CBCA or other applicable law permits or requires; and (d) authorize the corporation to purchase and maintain insurance for the benefit of such individual, as the board may from time to time determine.

The by-laws of Pactiv Canada Inc.: (a) note that no individual may be indemnified, unless the individual (i) acted honestly and in good faith with a view to the best interests of the applicable corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the applicable corporation s request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the individual had reasonable grounds for believing that the individual s conduct was lawful; (b) require the corporation to indemnify the individual in such other circumstances as the OBCA or other applicable law permits or requires; and (c) authorize those corporations to purchase insurance for the benefit of an above-mentioned individual, against any such liability.

Table of Contents

British Virgin Islands Registrant

The BVI Business Companies Act, 2004 (the Act) provides, inter alia, that subject to section 132 (2) and its memorandum and articles, a company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings, any person who is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the company or who is or was at the request of the company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

Under the Memorandum and Articles of Association of CSI Latin American Holdings Corporation, indemnification is only possible where the person acted honestly and in good faith with a view to the best interests of the company, and in the case of criminal proceedings, the person has no reasonable cause to believe that the conduct was unlawful.

Japan Registrants

Article 330 of the Companies Act (Law No. 86 of 2005, as amended) (the Companies Act) stipulates that the relationship between a company and its directors, statutory auditors, executives and accounting auditor (Officer(s)) is subject to the provisions of Section 10, Chapter 2, Book III of the Civil Code (Law No. 89 of 1896, as amended) which effectively requires that:

(i) Closure Systems International Japan, Limited (CSIJ) and Closure Systems International Holdings K.K.(CSIH) (collectively, Japanese Subsidiaries , each of them, a Japanese Subsidiary) shall indemnify Officers of the respective Japanese Subsidiary for the necessary expenses incurred in performing their duties (Expenses) in advance upon the request from such Officer;

(ii) A Japanese Subsidiary shall reimburse Officers of the Japanese Subsidiaries for Expenses incurred and interest arising from those expenses from the day the costs were incurred;

(iii) A Japanese Subsidiary shall perform any obligation incurred by its Officers necessary for the administration of the Japanese Subsidiary (if the obligation is not yet due, the Japanese Subsidiary shall provide adequate security to the Officers); and

(iv) A Japanese Subsidiary shall indemnify an Officer of the Japanese Subsidiary for damages suffered by the Officer without any fault of the respective Officer in the course of the performance of their duty.

Under Article 388 of the Companies Act, a Japanese Subsidiary shall satisfy the claims of a statutory auditor, referred in (i) through (iii) above, unless the Japanese Subsidiary establishes that the relevant expense or obligation was not necessary for the performance of the statutory auditor s duty.

Under Article 424 of the Companies Act, a Japanese Subsidiary may exempt an Officer from liability arising from the negligence of the Officer under Article 423 of the Companies Act (the Liability) with the consent of all shareholders of the Japanese Subsidiary.

Under Article 425 of the Companies Act, a Japanese Subsidiary may exempt an Officer from a certain part of Liability by the Japanese Subsidiary s shareholder s resolution if such Liability is not a result of the willful misconduct or gross negligence of the Officer.

Under Article 426 of the Companies Act, a company may exempt an Officer from a certain part of Liability by the resolution of the board of directors of the company (in the case the company does not have a board of directors, a majority of directors) if such Liability is not a result of the willful misconduct or gross negligence of the Officer. This is restricted to where the articles of incorporation of the company contain a provision which permits such limitation. However, the articles of incorporation of both Japanese Subsidiaries do not contain such a provision; thus, this exemption does not apply to Officers of the Japanese Subsidiaries at this stage.

Table of Contents

Under Article 427 of the Companies Act, a company may enter into a contract with an outside director, outside statutory auditor or an accounting auditor (Outside Officer) pursuant to which the company shall exempt the Outside Officer from a certain part of Liability if (i) such Liability is not a result of the willful misconduct or gross negligence of the Outside Officer and (ii) the articles of incorporation of the company have a provision which permits such a contract. However, the articles of incorporation of CSIH do not contain such a provision, and although the articles of incorporation of CSIJ do contain such a provision, there are no outside directors or outside statutory auditors in CSIJ; thus, this exemption does not apply to Officers of the Japanese Subsidiaries at this stage.

New Zealand Registrants

Section 162 of the Companies Act 1993 (NZ) provides that a company may provide insurance and indemnities for certain liabilities of directors or employees of a company or a related company if specifically authorized by the constitution of that company. More specifically, a company may, if expressly authorized by its constitution, indemnify a director or employee of the company or a related company:

for costs incurred in a proceeding relating to the director s or employee s actions or omissions in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued; or

in respect of liability to any person other than the company or a related company for an act or omission in his or her capacity as a director or employee or for costs incurred in defending or settling a claim or proceeding relating to such liability (whether or not the defence is successful), provided that such liability is not criminal liability, or, in the case of a director, liability for breach of the duty to act in good faith and in the best interests of the company or related company, or in relation to an employee, for breach of any fiduciary duty owed to the company or a related company.

A company may, if authorized by the constitution and board of directors of that company, effect insurance in respect of liability for any act or omission of a director or employee, or costs incurred in defending or settling a claim or proceeding relating to such liability, provided that such liability is not criminal liability. Insurance may also be effected in relation to costs incurred in defending a criminal claim that has been brought against the director or employee in relation to an act or omission in his or her capacity as director or employee, where he or she is acquitted.

The constitution of each of Reynolds Group Holdings Limited (RGHL) and Whakatane Mill Limited (WML) provides that every director of the company shall be indemnified, and that the company may indemnify any employee, director or related company in respect of any liability or costs referred to in sections 162(3) and 162(4) of the Companies Act 1993 (NZ). The constitution of each of RGHL and WML also provides that the company may arrange insurance for a director or employee of the company, or for a related company.

If an indemnity is provided or any insurance effected for any director or employee of a company or related company, the particulars of such indemnity or insurance must be entered into the interests register of the company providing the indemnity or effecting the insurance.

An indemnity provided that does not comply with the requirements of the Companies Act 1993 (NZ) or the relevant company s constitution is void.

In addition, the directors who vote in favour of the provision of insurance must sign a certificate stating that, in their opinion, the cost of the insurance is fair to the company.

Germany Registrants

(a) SIG Euro Holding AG & Co. KGaA is organized as partnership limited by shares (Kommanditgesellschaft auf Aktien) under the laws of Federal Republic of Germany.

Under German law, the members of the supervisory board (*Aufsichtsrat*) as well as the members of the board of directors (*Verwaltungsrat*) of the general partner (*Komplementär*) of SIG Euro Holding AG & Co. KGaA may be entitled to indemnity for payments made by them due to liability to third parties, provided that the respective supervisory board member or the respective board member of the board of directors of the general partner of SIG Euro Holding AG & Co. KGaA has not breached any of his duties owed to the company. Third parties may contractually commit to indemnify the supervisory board members as well as the members of the board of directors of the general partner of SIG Euro Holding AG & Co. KGaA in advance. However, such prior commitment to indemnification is subject to the general limitations of contract law according to which indemnification for willful (*vorsätzliche*) breaches of duty is void. Whether prior arrangements providing for indemnification in case of gross negligence are valid and legally enforceable is disputed. The members of the supervisory board and the members of the board of directors of the general partner of SIG Euro Holding AG & Co. KGaA have each been provided with an indemnification letter from Rank Group Limited, providing for indemnification in connection with the RGHL Transaction under certain circumstances.

Under German corporation law, SIG Euro Holding AG & Co. KGaA may only waive or settle a damage claim against its supervisory board members or the members of the board of directors of its general partner three years after the claim has arisen, provided that the general meeting consents thereto and no shareholders whose aggregate holdings amount to at least one-tenth of the share capital record an objection in the minutes. The foregoing time limit does not apply if the person liable for damages is insolvent and enters into an agreement with his creditors to avoid the commencement of insolvency proceedings or if the liability is dealt with in an insolvency plan.

All Director and Officer insurance is subject to the mandatory restrictions imposed by German law.

(b) Each of Closure Systems International Holdings (Germany) GmbH, Closure Systems International Deutschland GmbH, SIG Beverages Germany GmbH, SIG Combibloc Holding GmbH, SIG Combibloc Systems GmbH, SIG Combibloc GmbH, SIG Combibloc Zerspanungstechnik GmbH, SIG Information Technology GmbH, SIG International Services GmbH, SIG Beteiligungs GmbH, Pactiv Deutschland Holdinggesellschaft mbH, Omni-Pac GmbH Verpackungsmittel and Omni-Pac Ekco GmbH Verpackungsmittel is organized as limited liability company (Gesellschaft mit beschränkter Haftung) under the laws of Federal Republic of Germany (together the German Entities).

Under German law, the managing director (*Geschäftsführer*) of a (German) limited liability company may be entitled to indemnity for payments made due to liability to third parties, provided that the managing director has not breached any of his duties owed to the company. A limited liability company (or a third party) may contractually commit to indemnify its managing directors in advance. However, such prior commitment to indemnification is subject to the general limitations of contract law according to which indemnification for willful (*vorsätzliche*) breaches of duty is void. Whether prior arrangements providing for indemnification in case of gross negligence are valid and legally enforceable is disputed.

It is generally in the discretion of the shareholders of a German limited liability company to waive the company s claims against its managing directors based on their breaches of duties. The company s claims against a managing director based on the breach of his duty to comply with capital maintenance or capital increase requirements or to file for insolvency without undue delay (Sections 64, 43, 30, 33, 9b of the German Limited Liability Company Act) cannot be waived by the shareholders, provided that the compensation of damages is required to discharge liabilities owed to the company s creditors.

All Director and Officer insurance is subject to the mandatory restrictions imposed by German law.

Mexico Registrants

Each of Grupo CSI de México, S. de R.L. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Bienes Industriales del Norte, S.A. de C.V., Técnicos de Tapas

Innovativas, S.A. de C.V., Evergreen Packaging México, S. de R.L. de C.V., Reynolds Metals Company de México, S. de R.L. de C.V., Pactiv Foodservice Mexico, S. de R.L. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V. and Pactiv México, S. de R.L. de C.V., is incorporated in Mexico under the General Law of Commercial Companies (Ley General de Sociedades Mercantiles) (the GLCC). The GLCC is mute on commercial companies providing indemnification to their directors, officers or agents. Likewise, the charter/by-laws of such Mexican entities contain no provision on indemnification to their directors, officers or agents. However, resolutions adopted in 2009 and/or 2010 and/or 2011 by the shareholders of each of such Mexican companies approved that the company shall indemnify the attorneys-in-fact named therein against any liability, loss, costs, charges or expenses arising from the exercise of the powers of attorney granted to them under such resolutions, which powers of attorney pertain, inter alia, to the transactions subject matter of this Registration Statement.

Switzerland Registrants

Neither Swiss statutory law nor any of the articles of association or organizational regulations of each of SIG Combibloc Group AG, SIG Technology AG, SIG allCap AG, SIG Combibloc (Schweiz) AG, SIG Schweizerische Industrie-Gesellschaft AG and SIG Combibloc Procurement AG contain any specific provision regarding the indemnification of directors and officers.

According to Swiss law, a corporation, under certain circumstances, may, or may be required to indemnify its directors and officers against losses and expenses incurred by them in the execution of their duties, unless the losses and expenses arise from the directors or officers negligence or willful misconduct.

United Kingdom Registrants

The Companies Act 2006 (the Act)

The Act provides that any provision that purports to exempt a director of a company (to any extent) from liability for negligence, default, breach of duty or breach of trust in relation to the company is void (section 232(1)).

Furthermore, the Act provides that any provision by which a company directly or indirectly provides an indemnity (to any extent) for a director of the company or of an associated company (as defined in section 256 of the Act, an Associated Company) for such liability is also void save as expressly provided by the Act (section 232(2)).

The Act expressly permits indemnification of a director where (a) the company or an Associated Company purchases insurance against any such liability for a director of the company or of an Associated Company (section 233 of the Act); (b) the indemnity is a qualifying third party indemnity provision as defined in section 234 of the Act; or (c) the indemnity is a qualifying pension scheme indemnity provision as defined in section 235 of the Act.

A qualifying third party indemnity provision may cover liability incurred by a director to any person other than the company or an Associated Company. Such provision, however, may not provide indemnity against (a) a fine imposed in criminal proceedings; (b) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); (c) any liability incurred by the director in defending criminal proceedings in which he is convicted; (d) the defence costs of civil proceedings successfully brought against the director by the company or an Associated Company; or (e) the costs of unsuccessful application by the director for relief under section 661(3) or (4) of the Act (power of the court to grant relief in case of acquisition of shares by innocent nominee) or section 1157 of the Act (power of the court to grant relief in case of honest and reasonable conduct).

A qualifying pension scheme indemnity provision is a provision indemnifying a director of a company that is a trustee of an occupational pension scheme against liability incurred in connection with the company s activities as trustee of the scheme. Such provision may not provide indemnity against (a) a fine imposed in criminal proceedings; (b) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or (c) any liability incurred by the director in defending criminal proceedings in which he is convicted.

Table of Contents

Articles of Association

Reynolds Subco (UK) Limited

The Articles of Association of Reynolds Subco (UK) Limited provide that the directors of the company may make payments towards policies of insurance (including insurance against negligence or breach of duty to the company by such person further described in this paragraph) for the benefit of or in respect of any person who is or was at any time director or officer of the company or of any company which is a subsidiary of the company, or is allied to or associated with the company or with any such subsidiary (and for the benefit of the wives, husbands, widows, widowers, families and dependents of any such person) (Article 77(c) of the Articles of Association of Reynolds Subco (UK) Limited).

In addition, the Articles of Association of Reynolds Subco (UK) Limited provide that, subject to the provisions of the Act, every director or other officer of the company or person acting as an alternate director shall be entitled to be indemnified out of the assets of the company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of his duties to the company or otherwise in relation thereto (Article 106 of the Articles of Association of Reynolds Subco (UK) Limited).

Closure Systems International (UK) Limited (CSI UK) and Reynolds Consumer Products (UK) Limited (RCP UK)

The Articles of Association of CSI UK and RCP UK respectively provide that the directors of the company may purchase and maintain for any director or officer of the company or any director of an Associated Company, insurance against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company or otherwise in connection with his duties, powers or office (Article 12.1(a) of the Articles of Association of each of CSI UK and RCP UK).

In addition, the Articles of Association of each of CSI UK and RCP UK provide that every director and officer of the company shall be indemnified out of the assets of the company against any loss or liability incurred by him in defending any proceedings in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company or otherwise in connection with his duties, powers or office (Article 12.1(b) of the Articles of Association of each of CSI UK and RCP UK).

SIG Combibloc Limited

The Articles of Association of SIG Combibloc Limited provide that, subject to the provisions of the Act, every director or other officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company (Regulation 118 Companies Act 1985 Table A).

SIG Holdings (UK) Limited

The Articles of Association of SIG Holdings (UK) Limited provide that, subject to the provisions of the Act, every director or other officer of the company shall be indemnified out of the assets of the company against losses and liabilities which he incurs otherwise than as a result of his own negligence or default, in connection with the performance of his duties as such and against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or where the proceedings are withdrawn or settled on terms which do not include a finding or admission of a material breach of duty by him or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company (Regulation 118 Companies Act 1985 Table A as amended by Article 28 of the Articles of Association of SIG Holdings (UK) Limited).

Table of Contents

In addition, the Articles of Association of SIG Holdings (UK) Limited provide that, subject to the provisions of the Act and with the approval of the parent company of SIG Holdings (UK) Limited, the directors may purchase and maintain insurance at the expense of the company for the benefit of the directors or other officers against liability which attaches to them or loss or expenditure which they incur in relation to anything done or omitted or alleged to have been done or omitted as directors or officers (Article 28 of the Articles of Association of SIG Holdings (UK) Limited).

Kama Europe Limited (Kama) and Ivex Holdings, Ltd. (Ivex)

The Articles of Association of Kama and Ivex respectively provide that, subject to the provisions of the Act, every director and officer of the company shall be indemnified out of the assets of the company against all losses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court, and no director or officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the company in the execution of his office or in relation thereto. This Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act (Article 13(a) of the Articles of Association of each of Kama and Ivex).

In addition, the directors of each of Kama and Ivex shall have the power to purchase and maintain for any director or officer of the company insurance against any such liability as is referred to in Section 310(1) of the Act (Article 13(b) of the Articles of Association of each of Kama and Ivex).

The Baldwin Group Limited (BGL), Omni-Pac U.K. Limited (Omni) and J. & W. Baldwin (Holdings) Limited (BHL)

The Articles of Association of BGL, Omni and BHL respectively provide that, as provided below, a director of the company or an associated company may be indemnified out of the company s assets against (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company, (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006), and/or (c) any other liability incurred by that director as an officer of the company or an associated company. This article does not authorize any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law. In this article, (x) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and (y) a relevant director means any director or former director of the company or an associated company. (Article 52 of the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*)).

In addition, the Articles of Association of BGL, Omni and BHL respectively provide that the directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss. In this article, (a) a relevant director means any director or former director of the company or an associated company,(b) a relevant loss means any loss or liability which has been or may be incurred by a relevant director in connection with that director s duties or powers in relation to the company, any associated company or any pension fund or employees share scheme of the company or associated company, and (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate. (Article 53 of the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*)).

In addition, the Articles of Association of BGL, Omni and BHL respectively provide that an alternate director may be indemnified by the Company to the same extent as his appointor. (Article 11.5 of the Articles of Association of each of BGL, Omni and BHL).

Table of Contents

Netherlands Registrants

Closures Systems International B.V., Reynolds Consumer Products International B.V., Evergreen Packaging International B.V. and Reynolds Packaging International B.V. are each incorporated under the laws of The Netherlands. Under Dutch law the following applies with respect to the liability of members of the managing board and possible indemnification by Closures Systems International B.V., Reynolds Consumer Products International B.V., Evergreen Packaging International B.V. and Reynolds Packaging International B.V.

As a general rule, members of the managing board are not liable for obligations incurred by or on behalf of the company. Under certain circumstances, however, members of the managing board may be liable to the company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the company and to third parties for infringement of the articles of association or of certain provisions of the Dutch Civil Code. In certain circumstances, members of the managing board may also incur additional specific civil and criminal liabilities.

With respect to their liability with respect to the company the following applies. As a general rule, each director of the managing board must properly perform the duties assigned to him or her. Failure of a director in his duties does not automatically lead to liability. Liability is only incurred in case of severe reproach. The liability of directors towards the company can be waived by a discharge (décharge). Discharge is generally granted by the general meeting of shareholders. Such discharge in principle only releases directors from liability for actions which have been disclosed at or to the general meeting of shareholders or which appear from the annual accounts. A discharge does not affect the liability of the directors towards third parties or their liability to any trustee in bankruptcy.

With respect to directors liability with respect to third parties, there are various statutory grounds pursuant to which a director of the managing board may be held liable, such as specific liability in bankruptcy, liability for tax debts, social security contributions and contributions to mandatory pension funds, liability based on tort, liability for misrepresentation in annual accounts and personal liability of directors under Dutch criminal law (including economic offenses).

Luxembourg Registrants

Beverage Packaging Holdings (Luxembourg) I S.A. and Reynolds Group Issuer (Luxembourg) S.A. are both public limited liability companies (*sociétés anonymes*) incorporated under the laws of the Grand Duchy of Luxembourg. Beverage Packaging Holdings (Luxembourg) III S.à r.l., Beverage Packaging Holdings (Luxembourg) IV S.à.r.l. and Evergreen Packaging (Luxembourg) S.à r.l. are private limited liability companies (*sociétés à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg.

Beverage Packaging Holdings (Luxembourg) I S.A. has a two-tier structure composed of a management board (*directoire*) and of a supervisory board (*conseil de surveillance*) whereas Reynolds Group Issuer (Luxembourg) S.A. has a one-tier structure composed of a board of directors.

Articles 59 § 1, 60bis-10 § 1 and 60bis-16 § 1 of the Luxembourg law on commercial companies dated August 10, 1915, as amended (the Corporate Law) provides that a director, a management board member and a supervisory board member of a public limited liability company are personally and individually liable towards the company for wrongful acts committed by each of them personally in the course of their management or supervision, when applicable, of the company s affairs. Pursuant to articles 59 § 2, 60bis-10 § 2 and 60bis-16 § 2 of the Corporate Law, third parties (e.g., creditors, insolvency receiver) also have the right to act against directors, management board members and supervisory board members who have acted wrongfully if the fault of the director, management board member and/or the supervisory board member consists in a breach of the Corporate Law (e.g., failure to convene the annual general meeting of shareholders, to publish the annual accounts, etc.) or in a breach of the articles of association of the company (e.g., by undertaking an action not permitted by the corporate purpose of the company). These provisions also apply to managers of private limited liability companies.

Table of Contents

Further, an action for liability may also lie against one or several directors/management board members/supervisory board members/managers by the company or third parties on the basis of the rules of general civil liability (articles 1382 and 1383 of the Luxembourg civil code).

In certain cases, acts which imply civil liability may also be the basis of the criminal offences, such as forgery or breach of trust, as provided for by the Luxembourg criminal code. Finally, the Corporate Law provides for specific criminal offences applicable to company directors/management board members/supervisory board members/managers.

The liability of directors/management board members/supervisory board members of public limited liability companies and managers of private limited liability companies is generally considered to be a matter of public policy (*ordre public*) irrespective of whether such liability is engaged towards the company or towards third parties. It is likely that Luxembourg courts would not admit exclusion on directors /management board members /supervisory board members /managers liability by contract or through the company s constitutional documents.

Luxembourg law does not contain any specific provision regarding the indemnification of directors/management board members/supervisory board members/managers and officers. Nothing prohibits the directors/management board members/supervisory board members/managers of the company from entering into an insurance contract covering the liability directors/management board members/supervisory board members/managers may incur in their capacity as such. The company can also validly agree to indemnify its directors/management board members/supervisory board members/managers against the consequences of liability actions brought by third parties, to the extent that such indemnification agreement does not cover willful acts or gross negligence.

The articles of incorporation of Beverage Packaging Holdings (Luxembourg) I S.A. contain the following indemnification provision for its directors and officers:

The Company may indemnify any member of the Board of Management or officer and his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a member of the Board of Management or officer of the Company or, at his request, of any other corporation of which the Company is a shareholder or creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

The articles of association of Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) III S.à r.l., Beverage Packaging Holdings (Luxembourg) IV S.à r.l. and Evergreen Packaging (Luxembourg) S.à r.l. are silent as to the issue of indemnification of their directors/managers and officers.

Guernsey Registrant

SIG Asset Holdings Limited (the Guernsey Company) is a non-cellular company limited by shares incorporated and registered under the laws of the Island of Guernsey.

The Companies (Guernsey) Law, 2008, as amended (the Law)

The Law states that any provision in a company s memorandum, articles, in any contract or otherwise that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to that company is void (section 157(1)).

Furthermore, the Law provides that any provision by which a company directly or indirectly provides an indemnity (to any extent) for a director of the company, or an associated company, against any liability

Table of Contents

attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he is a director shall be void (section 157(2)), save as expressly permitted by the Law.

The Law expressly permits indemnification against liability incurred by a director to a person other than the company or an associated company (a third party indemnity provision). Such provision however may not provide any indemnity against:

1. any liability of the director to pay:

a. a fine imposed in criminal proceedings;

b. a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or

2. any liability incurred by the director:

a. in defending criminal proceedings in which he is convicted,

b. in defending civil proceedings brought by the company, or an associated company, in which judgment is given against him, or

c. in connection with an application for relief from liability for officers under section 522 of the Law in which the Court refuses to grant him relief.

In addition, the Law allows a company to purchase and maintain insurance against any liability in connection with any negligence, default, breach of duty or breach of trust for a director of the company or an associated company.

Articles of Incorporation of the Guernsey Company (the Articles)

Article 25 of the Articles provides that without prejudice to Article 37 the directors of the Guernsey Company have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Guernsey Company, or of any other company which is its holding company or in which the Guernsey Company or such holding company or any of the predecessors of the Guernsey Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Guernsey Company, or of any subsidiary undertaking of the Guernsey Company or of any such other company, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Guernsey Company or any other such company or subsidiary undertaking.

Article 37 of the Articles provides that the directors, secretary and other officers or servants or agents for the time being of the Guernsey Company are to be indemnified out of the assets of the Guernsey Company from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto, except such (if any) as they shall incur or sustain by or through their own willful act, negligence or default respectively. This Article also provides that none of them will be answerable for the acts, receipts, negligence or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Guernsey Company shall or may be lodged or deposited for safe custody, or for any bankers, brokers, or other persons into whose hands any money or assets of the Guernsey Company may come, or for any defect of title of the Guernsey Company to any property purchased, or for the insufficiency or deficiency or defect of title of the Guernsey Company, to any security upon which any moneys of the Guernsey Company shall be invested, or for any loss or damage occasioned by an error of judgment or oversight on their part, or for any other loss, damage or misfortune whatsoever which happens in the execution of their respective offices or in relation thereto, except if the same shall happen by or through their own willful act, negligence or default respectively.

Hong Kong Registrants

Each of Closure Systems International (Hong Kong) Limited, SIG Combibloc Limited and Evergreen Packaging (Hong Kong) Limited is incorporated under the laws of Hong Kong.

Section 165 of the Companies Ordinance of Hong Kong, Cap 32 (the CO) declares void any provision in the articles of a company or in any contract with the company with the purpose of exempting any officer of the company (including a director) from, or indemnifying him against, any liability to the company or a related company that, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust. A company may, however, indemnify any officer of the company against any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour, in which he is acquitted or in connection with a successful application for relief under section 358 of the CO .

Section 165 of the CO further provides that a company may however purchase and maintain for any officer:

(a) insurance against any liability to the company or any other party in respect of negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the company or a related company; and

(b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the company or a related company.

In accordance with the CO, the Articles of Association of Closure Systems International (Hong Kong) Limited, SIG Combibloc Limited and Evergreen Packaging (Hong Kong) Limited provide that each of the companies may:

(a) indemnify any officer of the company against (and, in the case of SIG Combibloc Limited, that each officer of the company shall be indemnified out of the assets of the company against) any liability incurred by him in relation to the company or a related company in defending any civil or criminal proceedings in which judgment is given in his favour, in which he is acquitted or in connection with any successful application under section 358 of the CO;

(b) purchase and maintain for any officer of the company insurance against liability to the company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (but not fraud) of which he may be guilty in relation to the company or a related company; and

(c) purchase and maintain for any officer of the company insurance against liability incurred by him in defending any civil or criminal proceedings taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the company or a related company.

In addition, the Articles of Association of Closure Systems International (Hong Kong) Limited and Evergreen Packaging (Hong Kong) Limited provide that, subject to section 165 of the CO, if any director and/or other person shall become personally liable for the payment of any sum primarily due from the company, the directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the director and/or person so becoming liable as aforesaid from any loss in respect of such liability.

Brazil Registrants

Closure Systems International (Brazil) Sistemas de Vedação Ltda. (CSI Brazil), SIG Combibloc do Brasil Ltda. (SIG Combibloc) and SIG Beverages Brasil Ltda. (SIG Beverages) are incorporated as limited liability companies under the laws of Brazil.

Table of Contents

Organizational Documents

The articles of association and other organizational documents of CSI Brazil, SIG Combibloc and SIG Beverages do not include any provision in the sense that the managers or attorneys of each company are insured or indemnified in any manner against liability which any of them may incur in his/her capacity as such.

There are, however, quotaholders resolutions of CSI Brazil, SIG Combibloc and SIG Beverages, whereby their quotaholders: (i) Closure Systems International B.V. and Closure Systems International Holdings, Inc.; (ii) SIG Austria Holding GmbH and SIG Combibloc S.A.; and (iii) SIG Euro Holding AG & Co. KGaA and SIG Beverages Germany GmbH, respectively, ordered specific managers of the companies (Managers), as well as any attorneys-in-fact duly appointed by these Managers for such purpose (Attorneys) to execute certain documents in connection with the transactions described below:

a) CSI Brazil: (i) quotaholders resolution executed on January 21, 2009, authorizing the execution of documents pertaining to Project Apple, (ii) quotaholders resolution executed on October 17, 2009, authorizing the execution of documents pertaining to the RGHL Transaction, (iii) quotaholders resolution executed on October 26, 2009, ratifying and authorizing the execution of documents within the RGHL Transaction with an increased indebtedness, (iv) quotaholders resolution executed on April 29, 2010 authorizing the execution of documents pertaining to the Evergreen Transaction, and (v) quotaholders resolution executed on September 23, 2010 authorizing the execution of documents pertaining to the Pactiv Transaction;

b) SIG Combibloc: (i) quotaholders resolution executed on March 26, 2010, authorizing the execution of documents pertaining to the RGHL Transaction, and (ii) quotaholders resolution executed on September 22, 2010 authorizing the execution of documents pertaining to the Pactiv Transaction; and

c) SIG Beverages: (i) quotaholders resolution executed on March 29, 2010, authorizing the execution of documents pertaining to the RGHL Transaction, and (ii) quotaholders resolution executed on September 22, 2010 authorizing the execution of documents pertaining to the Pactiv Transaction.

As a consequence of such determinations, the quotaholders of CSI Brazil, SIG Combibloc and SIG Beverages specifically release the Managers and/or the Attorneys, through such quotaholders resolutions, from any liabilities resulting from any claims, suits, complaints and any other types of liabilities that could be brought against the Managers and/or the Attorneys as a result of the execution of the documents therein ordered to be executed.

Statutory Provisions

Please note that according to the articles of association of CSI Brazil and SIG Beverages, in the omission of the laws applicable to limited liability companies and of the companies articles of association, the law applicable to corporations, Law No. 6,404/76 (Law of Corporations), shall apply. Regarding SIG Combibloc, since its articles of association do not provide for the applicability of the Law of Corporations, it is governed by the rules applicable to limited liability companies (*sociedades limitadas*) complemented by the rules applicable to partnerships (*sociedades simples*), both contained in the Brazilian Civil Code (Law No. 10,406, dated January 10, 2002), pursuant to Article 1,053, sole paragraph of the same Code.

The provisions set forth both in the Brazilian Civil Code (article 1,016) and in the Law of Corporations (article 158) establish, as a general rule, that the managers of limited liability companies are not liable for the acts performed on behalf of the company, but are liable for any damage resulting from willful misconduct or malicious intent (*dolo*) in relation to their duties and from acts performed negligently (*culpa strictu sensu*).

Please note that in case of acts performed in violation of the law or of the company s articles of association, the liability of the manager is strict (*responsabilidade objetiva*), regardless of the managers malicious intent or negligent behavior. It is also worth mentioning that the liability of the managers may be repelled in the following hypotheses: (i) cases of force majeure or acts of God; or (ii) evidence that the manager acted in good faith and in accordance with the interests of the company (Article 159, Paragraph 6, of Law No. 6,404/76).

Costa Rica Registrant

According to section 91 of the Costa Rican Code of Commerce (CR Code of Commerce), the Manager or Submanager can only delegate its powers when the bylaws expressly authorize them to delegate them. Otherwise, the person that delegates the powers will be liable. According to section 92 of the CR Code of Commerce, the Manager or Managers of a Limited Liability Company shall be personally liable towards CSI Closure Systems Manufacturing de Centro America, S.R.L. (the Costa Rican Registrant) and third parties, if their actions breach their mandate, are illegal or against the bylaws of the Costa Rican Registrant. Moreover, according to article 100 of the CR Code of Commerce, the managers are personally liable for any distribution of dividends not based on net realized earnings or exceeding such amount.

The CR Code of Commerce does not explicitly address the issue whether or not a company may eliminate or limit the Manager or Managers liability to the company. Nevertheless, please be advised that the Manager or Managers of the Costa Rican Registrant may be released of liability while executing actions ordered by the quota holders, if such actions are not illegal or do not breach the terms of the mandate or the bylaws.

Austria Registrant

(a) Each of SIG Austria Holding GmbH and SIG Combibloc GmbH is organized as a limited liability company under the laws of the Republic of Austria.

Under Austrian corporate law, an Austrian limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) is represented by its managing director(s) (*Geschäftsführer*), a statutory corporate body, and/or its authorized representatives (*Prokuristen*), who are optional attorneys-in-fact with their power of representation governed by statutory Austrian law.

A managing director who is acting on behalf of the GmbH and who violates the standard of care of a prudent and conscientious business man (*Sorgfalt eines ordentlichen und gewissenhaften Geschäftsmannes*) or other statutory provisions, in principle, can only be held liable for damages by the GmbH. Direct claims of third parties against a managing director acting on behalf of the GmbH may only be filed (with success) if the managing director negligently violated certain statutory duties owed towards those third parties.

A GmbH may indemnify a managing director unless (in principle) (i) the managing director has acted with gross negligence (*grobe Fahrlässigkeit*) or willful misconduct (*Vorsatz*), (ii) creditors of the GmbH cannot satisfy their claims against the GmbH (due to lack of assets) or (iii) the managing director has violated certain statutory provisions (i.e. provisions for the benefit of third parties, in particular creditors of the GmbH, or provisions relating to raising or maintaining share capital). An indemnification by a third party (e.g. a group company) is (in principle) admissible.

An authorized representative is in terms of liability or indemnification not subject to Austrian corporate law but might be subject to limitations of liability pursuant to Austrian employment law, such as the Employee Liability Act (*Dienstnehmerhaftpflichtgesetz, DHG*), which provides for certain exemptions from liability, e.g. in case of venial misperformance (*entschuldbare Fehlleistung*) by the employee.

(b) SIG Combibloc GmbH & Co KG is organized as a limited partnership under the laws of the Republic of Austria.

Under Austrian law, a limited partnership (*Kommanditgesellschaft, KG*) is formed by at least one partner with unlimited liability (*Komplementär; general partner*) and at least one partner with limited liability (*Kommanditist, limited partner*). If the general partner is a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*; see above), the KG is called GmbH & Co KG .

The general partner of a KG is responsible for the representation of the KG towards third parties. In the case of a GmbH & Co KG, the general partner (a GmbH) is again represented by its managing director(s). A

KG also might be represented by authorized representatives (*Prokuristen*). As to the liability and indemnification of the managing director(s) of the general partner and authorized representatives of the KG, please refer to (a) above.

Hungary Registrant

CSI Hungary Manufacturing and Trading Limited Liability Company Kft. is incorporated under the laws of Hungary.

Under Subsection 2 of Section 22 of Act. No IV. of 2006 on the companies, a director of a company may either pursue its activities on the basis of a mandate agreement or in the frame of an employment relationship.

Should the director be employed, Section 174 of the Act No. XXII of 1992 on the Labor Code provides so that the employer shall fully indemnify the employee against all damages incurred by him/her in relation to the employment relationship. The employer shall be relieved of all liabilities, if it proves that the damage occurred (i) due to a reason falling out of its business operations, which is not being able to be prevented, or (ii) as a result of the unpreventable behavior of the party incurring the damage. Damages that occurred as a result of the imputable behavior of the employee shall not be indemnified.

Neither Hungarian law nor the articles of associations of CSI Hungary Manufacturing and Trading Limited Liability Company Kft. provides for further rules in respect of indemnification or insurance.

Thailand Registrant

There are no provisions of Thai law which specifically deal with a company s right or obligation to indemnify its directors or employees against liability incurred by such persons in their capacity as the company s directors or employees. The constitutional documents of SIG Combibloc Ltd. do not contain any such provisions.

In this regard, however, Section 816 paragraph three of the Civil and Commercial Code of Thailand provides that if an agent, by reason of the execution of the matters entrusted to him/her, suffers damage without fault on his/her part, such agent may claim compensation from the principal. When a director or employee of a company deals with third parties for the business of the company as entrusted, such director or employee will be regarded as the company s agent. As such, if SIG Combibloc Ltd. has entrusted a matter to any of its directors or employees, whether explicitly or impliedly, and such director or employee executes that matter in good faith and with reasonable care, SIG Combibloc Ltd. may be required to indemnify such director or employee against any liability incurred (including any expenses reasonably incurred) by such person in connection with such entrusted matter.

Director and Officer Indemnity and Insurance Agreements

Registration Rights Agreements

The registration rights agreements filed as Exhibits 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.12.5 and 4.12.8 to this registration statement provide for the indemnification of the control persons of the registrants by the holders of any exchange securities against certain liabilities.

Indemnification Agreements

RGHL has agreed to indemnify certain directors and officers. The indemnification agreements are jurisdiction and company specific agreements.

The indemnification agreements filed as Exhibits 10.6 through 10.90, 10.112 through 10.129 and 10.131 through 10.134 to this registration statement provide for the indemnification of the directors of each of the Issuers, SIG Austria Holding GmbH, SIG Combibloc GmbH (Austria), SIG Combibloc GmbH & Co. KG, Pactiv Canada, Inc., Closure Systems International Holdings (Germany) GmbH, Closure Systems International Deutschland GmbH, SIG Euro Holding AG & CO KGaA, Omni-Pac Ekco GmbH Verpackungsmittel, Omni-Pac GmbH Verpackungsmittel, Pactiv Deutschland Holdinggesellschaft mbH, SIG Beverages Germany GmbH, SIG Combibloc Holding GmbH, SIG Combibloc Systems GmbH, SIG Combibloc GmbH (Germany), SIG Combibloc Zerspanungstechnik GmbH, SIG Information Technology GmbH, SIG International Services GmbH, SIG Beteiligungs GmbH, SIG Asset Holdings Ltd., Closure Systems International (Hong Kong) Limited, Evergreen Packaging (Hong Kong) Limited, SIG Combibloc Limited (Hong Kong), Closure Systems International Holdings (Japan) KK, Closure Systems International Japan, Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Beverage Packaging Holdings (Luxembourg) III S.à r.l., Reynolds Group Issuer (Luxembourg) S.A., Reynolds Consumer Products (Luxembourg) S.à r.l. (merged with and into Beverage Packaging Holdings (Luxembourg) III S.à r.l.), Closure Systems International (Luxembourg) S.à r.l. (merged with and into Beverage Packaging Holdings (Luxembourg) III S.à r.l.), SIG Finance (Luxembourg) S.à r.l. (liquidated on January 18, 2011), Evergreen Packaging (Luxembourg) S.à r.l, Closure Systems International B.V., Reynolds Consumer Products International B.V., Reynolds Packaging International B.V., Evergreen Packaging International B.V., SIG allCap AG, SIG Combibloc Group AG, SIG Combibloc (Schweiz) AG, SIG Schweizerische Industrie-Gesellschaft AG, SIG Technology AG, SIG Combibloc Procurement AG, SIG Combibloc Ltd., Closure Systems International (UK) Limited, Reynolds Consumer Products (UK) Limited, Reynolds Subco (UK) Limited (formerly BACO Consumer Products Limited), SIG Holdings (UK) Limited, SIG Combibloc Limited (UK), IVEX Holdings, Ltd., Kama Europe, Ltd., The Baldwin Group Limited, J&W Baldwin (Holdings) Limited, Omni-Pac UK Limited, Closure Systems International Holdings Inc., Closure Systems International Inc., Closure Systems International Packaging Machinery Inc. (formerly known as Reynolds Packaging Machinery Inc.), Closure Systems Mexico Holdings LLC, CSI Mexico LLC, Southern Plastics Inc., CSI Sales & Technical Services Inc., Reynolds Consumer Products Holdings LLC, Reynolds Services Inc., Reynolds Foil Inc., Reynolds Consumer Products, Inc., Bakers Choice Products, Inc., Reynolds Group Holdings Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., Closure Systems International Americas, Inc., Reynolds Packaging Holdings LLC, Reynolds Flexible Packaging Inc., Ultra Pac, Inc., Reynolds Food Packaging LLC, Reynolds Packaging Kama Inc., Reynolds Packaging LLC, Reynolds Presto Products Inc., Evergreen Packaging Inc., Evergreen Packaging USA Inc., Evergreen Packaging International (US) Inc., Blue Ridge Holdings Corp., Blue Ridge Paper Products Inc., BRPP, LLC, Pactiv LLC, Pactiv Factoring LLC, Pactiv RSA LLC, Pactiv Retirement Administration LLC, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., Pactiv Management Company LLC, PCA West Inc., Prairie Packaging, Inc., PWP Industries, Inc., SIG Holding USA, LLC, SIG Combibloc Inc., Newspring Industrial Corp., Dopaco, Inc., RenPac Holdings Inc., Reynolds Manufacturing Inc., Graham Packaging Holdings Company, Graham Packaging Company, L.P., GPC Capital Corp. I, GPC Capital Corp. II, GPC Opco GP LLC, GPC Sub GP LLC, Graham Recycling Company L.P., GPACSUB LLC, Graham Packaging GP Acquisition LLC, Graham Packaging LP Acquisition LLC, Graham Packaging LC, L.P., Graham Packaging PX Holding Corporation, Graham Packaging PX, LLC, Graham Packaging PX Company, Graham Packaging Plastic Products Inc., Graham Packaging Regioplast STS Inc., Graham Packaging PET Technologies Inc., Graham Packaging Acquisition Corporation, Graham Packaging West Jordan LLC, Graham Packaging Minster LLC, Beverage Packaging Holdings (Luxembourg) IV S.á.r.l., Graham Packaging Holdings B.V., BCP/Graham Holdings L.L.C., GPC Holdings LLC and Graham Packaging Company Inc.

In addition to the indemnification agreements listed above, we have also entered into indemnification agreements with officers of the RGHL Group other than our senior management, including an indemnification agreement with the directors and officers of each registrant in connection with this registration statement.

By a Deed Poll of Indemnification by Rank Group dated December 22, 2009, Rank Group indemnifies each person who, at or after the date of the deed poll, holds the office of director or statutory officer of (inter alia) any entity which it controls incorporated in Australia or New Zealand (including RGHL). Subject to certain limitations set out in the deed poll (including where the giving of such an indemnity is prohibited by law), each indemnified person is indemnified against any costs he/she incurs in any proceeding that relates to liability for any act done or omission made in his/her capacity as a director, statutory officer or employee of RGHL, in which proceeding such person is acquitted, or has judgment given in his/her favor, or which is discontinued.

II-32

Table of Contents

Insurance Policies

Rank Group has a Directors and Officers Liability Insurance Policy which insures the directors and officers of RGHL s subsidiaries and affiliates, against liability incurred in their capacities as directors and officers.

ITEM 21. ***EXHIBITS***

Reference is made to the attached Exhibit Index.

ITEM 22. ***UNDERTAKINGS***

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offering therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8A of Form 20-F at the start of any delayed offering or throughout a continuous offering.

(5) That, for purposes of determining liability under the Securities Act of 1933 to any purchaser:

Each prospectus filed pursuant to Rule 424(b) as part of the registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Table of Contents

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(b) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(c) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(d) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Group Holdings Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Group Holdings Limited

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Chief Executive Officer and Director (Principal Executive Officer)
* Allen Philip Hugli	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* Graeme Richard Hart	Director
* Bryce McCheyne Murray	Director
* Gregory Alan Cole	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Auckland, New Zealand on June 21, 2012.

Reynolds Group Issuer Inc.
Reynolds Group Holdings Inc.

By: /s/ Gregory Alan Cole

Name: Gregory Alan Cole

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Gregory Alan Cole	President and Director of each above named registrant (Principal Executive Officer)
* Allen Philip Hugli	Principal Financial Officer, Principal Accounting Officer and Director of each above named registrant
* Helen Dorothy Golding	Director of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Group Issuer LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Auckland, New Zealand on June 21, 2012.

Reynolds Group Issuer LLC

By: Reynolds Group Holdings Inc.,
its sole member

By: /s/ Gregory Alan Cole

Name: Gregory Alan Cole

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Gregory Alan Cole	President and Director of its sole member (Principal Executive Officer)
* Allen Philip Hugli	Principal Financial Officer, Principal Accounting Officer and Director of its sole member
* Helen Dorothy Golding	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-37

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Group Issuer (Luxembourg) S.A. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Group Issuer (Luxembourg) S.A.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Thomas James Degnan	
*	Principal Financial Officer and Principal Accounting Officer
Allen Philip Hugli	
*	A Director
Gregory Alan Cole	
*	B Director
Herman Schommarz	
*	B Director
Olivier Dorier	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-38

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Whakatane Mill Australia Pty. Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

Whakatane Mill Australia Pty. Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Allen Philip Hugli	
*	Director
Helen Dorothy Golding	
*	Director
Mark Joseph Dunkley	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Austria Holding GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Austria Holding GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	**Title**
* Rolf Stangl	Principal Executive Officer and Director
* Marco Haussener	Principal Financial Officer and Director
* Arnold Pezzatti	Principal Accounting Officer
* André Rosenstock	Director
* Wolfgang Ornig	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-40

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* Wolfgang Ornig	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-41

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc GmbH & Co KG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc GmbH & Co KG

By: SIG Combibloc GmBH, its general partner

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer of its general partner
Rolf Stangl	
*	Principal Financial Officer of its general partner
Marco Haussener	
*	Principal Accounting Officer of its general partner
Arnold Pezzatti	
*	Director of its general partner
Wolfgang Ornig	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-42

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International (Brazil) Sistemas de Vedação Ltda. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International (Brazil) Sistemas de Vedação Ltda.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Malcolm Bundey	
*	Principal Financial Officer and Principal Accounting Officer
Robert Eugene Smith	
*	Director
Guilherme Rodrigues Miranda	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-43

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Beverages Brasil Ltda. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Beverages Brasil Ltda.

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* Felix Colas Morea	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-44

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc do Brasil Ltda. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc do Brasil Ltda.

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Antonio Luiz Tafner	
*	Director
Lutz Knut Braune	
*	Director
Ricardo Lanca Rodriguez	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, CSI Latin American Holdings Corporation has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

CSI Latin American Holdings Corporation

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	**Title**
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director
* Guilherme Rodrigues Miranda	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Pactiv Canada Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv Canada Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Ken Bumstead	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-47

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Evergreen Packaging Canada Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Evergreen Packaging Canada Limited

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Director (Principal Executive Officer)
Thomas James Degnan	
*	Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer)
Ricardo Felipe Alvergue	
*	Director
John Rooney	
*	Director
Malcolm Bundey	
	Director
Tony Dicesare	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director
* Marshall K. White	Director
* Eugenio Garcia	Director
* Charles Thomas Cox	Director
Stephanie Blackman	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Bakers Choice Products, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Bakers Choice Products, Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Director (Principal Executive Officer)
Thomas James Degnan	
*	Principal Financial Officer
Sandra Gleason	
*	Principal Accounting Officer
Chris Mayrhofer	
*	Director
Carol A. Rod	
*	Director
Victor Lance Mitchell	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-50

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

BCP/Graham Holdings L.L.C.
GPC Holdings LLC

By: Graham Packaging Company Inc., its sole member

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of the sole member of each above named registrant (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of the sole member of each above named registrant (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of the sole member of each above named registrant
* Allen Philip Hugli	Director of the sole member of each above named registrant
* Gregory Alan Cole	Director of the sole member of each above named registrant
* Thomas James Degnan	Director of the sole member of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-51

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Manufacturing, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Manufacturing, Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer)
* Sandra Gleason	Principal Financial Officer
* Chris Mayrhofer	Principal Accounting Officer
* Gregory Alan Cole	Director
* Allen Philip Hugli	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, RenPac Holdings Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

RenPac Holdings Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer)
* Allen Philip Hugli	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Gregory Alan Cole	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Memphis, Tennessee on June 21, 2012.

Blue Ridge Holding Corp.
Blue Ridge Paper Products Inc.
Evergreen Packaging Inc.
Evergreen Packaging USA Inc.
Evergreen Packaging International (US) Inc.

By: /s/ John Rooney

Name: John Rooney

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* John Rooney	Chief Executive Officer, President, and Director of each above named registrant (Principal Executive Officer)
* Ricardo Felipe Alvergue	Chief Financial Officer of each above named registrant (Principal Financial Officer and Principal Accounting Officer)
* Malcolm Bundey	Director of each above named registrant
* Allen Philip Hugli	Director of each above named registrant
* Thomas James Degnan	Director of each above named registrant
* Helen Dorothy Golding	Director of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Director (Principal Executive Officer)
Malcolm Bundey	
*	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
Robert Eugene Smith	
*	Director
Marshall White	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-55

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Americas, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Americas, Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	President and Director (Principal Executive Officer)
* Robert Eugene Smith	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Marshall White	Director
* Stephanie Blackman	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Holdings, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Holdings, Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	President and Director (Principal Executive Officer)
* Robert Eugene Smith	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Marshall White	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-57

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Closure Systems Mexico Holdings LLC
CSI Mexico LLC
CSI Hungary Manufacturing and Trading Limited Liability Company Kft.

By: Closure Systems International B.V., its sole member

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer of the sole member of each above named registrant
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer of the sole member of each above named registrant
* Gregory Alan Cole	A Director of the sole member of each above named registrant
* Orangefield Trust (Netherlands) B.V.	B Director of the sole member of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, CSI Sales & Technical Services Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

CSI Sales & Technical Services Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	President and Director (Principal Executive Officer)
* Robert Eugene Smith	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Marshall White	Director
* Charles Thomas Cox	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-59

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging Company Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging Company Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director
* Allen Philip Hugli	Director
* Gregory Alan Cole	Director
* Thomas James Degnan	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Dopaco, Inc.
Prairie Packaging, Inc.
Newspring Industrial Corp.

By: /s/ John McGrath

Name: John McGrath

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* John McGrath	President of each above named registrant (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer of each above named registrant
* Gino Mangione	Principal Accounting Officer of each above named registrant
* Thomas James Degnan	Director of each above named registrant
* Allen Philip Hugli	Director of each above named registrant
* Helen Dorothy Golding	Director of each above named registrant
* Gregory Alan Cole	Director of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-61

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv LLC
Reynolds Packaging Holdings LLC
Reynolds Consumer Products Holdings LLC
By: RenPac Holdings Inc., its sole member

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer) of the sole member of each above named registrant
* Allen Philip Hugli	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer) of the sole member of each above named registrant
* Gregory Alan Cole	Director of the sole member of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-62

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv Factoring LLC
Pactiv Management Company LLC

By: Pactiv LLC, its sole member

By: RenPac Holdings Inc., the sole member of Pactiv LLC

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer) of RenPac Holdings Inc.
* Allen Philip Hugli	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer) of RenPac Holdings Inc.
* Gregory Alan Cole	Director of RenPac Holdings Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv Retirement Administration LLC
Pactiv RSA LLC

By: Pactiv Factoring LLC, its sole member

By: Pactiv LLC, the sole member of Pactiv Factoring LLC

By: RenPac Holdings Inc., the sole member of Pactiv LLC

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer) of RenPac Holdings Inc.
* Allen Philip Hugli	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer) of RenPac Holdings Inc.
* Gregory Alan Cole	Director of RenPac Holdings Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-64

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Pactiv Germany Holdings Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hamburg, Germany on June 21, 2012.

Pactiv Germany Holdings Inc.

By: /s/ Petro Kowalskyj

Name: Petro Kowalskyj

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Treasurer (Principal Executive Officer)
Petro Kowalskyj	
*	Principal Financial Officer
Gary Thomas	
*	Principal Accounting Officer
Gino Mangione	
*	Director
Helen Dorothy Golding	
*	Director
Allen Philip Hugli	
*	Director
Gregory Alan Cole	
*	Director
Thomas James Degnan	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

PCA West Inc.

By: /s/ Gary Thomas

Name: Gary Thomas

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Gary Thomas	President (Principal Executive Officer) and Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Helen Dorothy Golding	Director
* Allen Philip Hugli	Director
* Gregory Alan Cole	Director
* Thomas James Degnan	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, PWP Industries, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

PWP Industries, Inc.

By: /s/ John McGrath

Name: John McGrath

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* John McGrath	Chief Executive Officer (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Helen Dorothy Golding	Director
* Allen Philip Hugli	Director
* Gregory Alan Cole	Director
* Thomas James Degnan	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Presto Products Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Presto Products Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Director (Principal Executive Officer)
Thomas James Degnan	
*	Principal Financial Officer and Director
Sandra Gleason	
*	Principal Accounting Officer
Chris Mayrhofer	
*	Director
Rita M. Cox	
*	Director
Victor Lance Mitchell	
*	Director
Paul Donald Thomas	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Flexible Packaging Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Flexible Packaging Inc.

By: /s/ John McGrath

Name: John McGrath

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
/s/ John McGrath John McGrath	Chief Executive Officer and President (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Helen Dorothy Golding	Director
* Allen Philip Hugli	Director
/s/ Gregory Alan Cole Gregory Alan Cole	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Packaging Kama Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Packaging Kama Inc.

By: /s/ John McGrath

Name: John McGrath

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
/s/ John McGrath John McGrath	Chief Executive Officer and President (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Paul Donald Thomas	Director
/s/ Thomas James Degnan Thomas James Degnan	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Consumer Products Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Consumer Products Inc.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer)
* Sandra Gleason	Principal Financial Officer and Director
* Chris Mayrhofer	Principal Accounting Officer
* Victor Lance Mitchell	Director
* Paul Donald Thomas	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Food Packaging LLC
Reynolds Packaging LLC

By: Reynolds Packaging Holdings LLC, its member

By: RenPac Holdings Inc., the sole member of Reynolds Packaging Holdings LLC

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	President and Director (Principal Executive Officer) of RenPac Holdings Inc.
* Allen Philip Hugli	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer) of RenPac Holdings Inc.
* Gregory Alan Cole	Director of RenPac Holdings Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-72

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Packaging Machinery Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Packaging Machinery Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Director (Principal Executive Officer)
Malcolm Bundey	
*	Vice President and Director (Principal Financial Officer and Principal Accounting Officer)
Robert Eugene Smith	
*	Director
Charles Thomas Cox	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-73

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Services Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Auckland, New Zealand on June 21, 2012.

Reynolds Services Inc.

By: /s/ Gregory Alan Cole

Name: Gregory Alan Cole

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Gregory Alan Cole	President and Director (Principal Executive Officer)
* Paul Donald Thomas	Vice President (Principal Financial Officer and Principal Accounting Officer)
* Allen Philip Hugli	Director
* Helen Dorothy Golding	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-74

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chester, Pennsylvania on June 21, 2012.

SIG Combibloc Inc.

By: /s/ Eduardo Gatica Villasante

Name: Eduardo Gatica Villasante

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Eduardo Gatica Villasante	Chief Executive Officer, President and Director (Principal Executive Officer)
* Michele Needham	Chief Financial Officer, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Antonio Valla	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Holding USA, LLC. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Auckland, New Zealand on June 21, 2012.

SIG Holding USA, LLC By:	Reynolds Group Holdings Inc., its sole member
By:	/s/ Gregory Alan Cole
Name:	Gregory Alan Cole
Title:	President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Gregory Alan Cole	President and Director of its sole member (Principal Executive Officer)
* Allen Philip Hugli	Principal Financial Officer, Principal Accounting Officer and Director of its sole member
* Helen Dorothy Golding	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-76

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Deutschland GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Deutschland GmbH

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director
* Victor Lance Mitchell	Director
* Dr. Wolf-Friedrich Bahre	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-77

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International Holdings (Germany) GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Holdings (Germany) GmbH

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer and Principal Accounting Officer
* Dr. Wolf-Friedrich Bahre	Director
* Gregory Alan Cole	Director
* Helen Dorothy Golding	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Beverages Germany GmbH
SIG Combibloc Holding GmbH
SIG Beteiligungs GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer of each above named registrant
Rolf Stangl	
*	Principal Financial Officer of each above named registrant
Marco Haussener	
*	Principal Accounting Officer of each above named registrant
Arnold Pezzatti	
*	Director of each above named registrant
Holger Dickers	
*	Director of each above named registrant
Joachim Frommherz	
*	Authorized U.S. Representative of each above named registrant
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Dr. Thomas Kloubert	
*	Director
Oliver Betzer	
	Director
Frank Buchholz	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Systems GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Systems GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* Henrik Wagner	Director
* Hans Betz	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Zerspanungstechnik GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Zerspanungstechnik GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* Hermann-Josef Bücker	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Euro Holding AG & Co. KGaA has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Euro Holding AG & Co. KGaA

By: SIG Schweizerische Industrie-Gesellschaft AG, its general partner

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	**Title**
* Rolf Stangl	Principal Executive Officer of its general partner
* Marco Haussener	Principal Financial Officer and Director of its general partner
* Arnold Pezzatti	Principal Accounting Officer of its general partner
* Holger Dickers	Director of its general partner
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Information Technology GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Information Technology GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* Timo Snellman	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-84

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG International Services GmbH has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG International Services GmbH

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Dr. Franz-Josef Collin	
*	Director
Holger Dickers	
	Director
Frank Buchholz	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the Lake Forest, Illinois on June 21, 2012.

Omni-Pac Ekco GmbH Verpackungsmittel
Omni-Pac GmbH Verpackungsmittel
Pactiv Deutschland Holdinggesellschaft mbH

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* John McGrath	Principal Executive Officer of each above named registrant
* Gary Thomas	Principal Financial Officer of each above named registrant
* Gino Mangione	Principal Accounting Officer of each above named registrant
* Petro Kowalskyj	Director of each above named registrant
* Anthony Flood	Director of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Asset Holdings Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Asset Holdings Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer and Director
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Holger Dickers	
*	Director
Hugh Richards	
*	Director
Joachim Frommherz	
*	Director
Richard Tee	
*	Authorized U.S. Representative

Joseph Doyle

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-87

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International (Hong Kong) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the Indianapolis, Indiana on June 21, 2012.

Closure Systems International (Hong Kong) Limited

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director
* Douglas Michael Cohen	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-88

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Evergreen Packaging (Hong Kong) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Evergreen Packaging (Hong Kong) Limited

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer and Director
* Ricardo Felipe Alvergue	Principal Financial Officer, Principal Accounting Officer and Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-89

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer and Director
* Arnold Pezzatti	Principal Accounting Officer
* André Rosenstock	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International Holdings (Japan) KK
Closure Systems International Japan, Ltd.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer of each above named registrant
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director of each above named registrant
* Masaki Sunaoshi	Director of each above named registrant
* Yutaka Masunaga	Director of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-91

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Southern Plastics, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Southern Plastics, Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	President and Director (Principal Executive Officer)
* Robert Eugene Smith	Vice President, Treasurer and Director (Principal Financial Officer and Principal Accounting Officer)
* Marshall White	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-92

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Beverage Packaging Holdings (Luxembourg) I. S.A. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Beverage Packaging Holdings (Luxembourg) I. S.A.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer
* Herman Schommarz	Director
* Chok Kien Lo (Stewart) Kam-Cheong	Director
* Oliver Dorier	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Beverage Packaging Holdings (Luxembourg) III S.à r.l. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Beverage Packaging Holdings (Luxembourg) III
S.à r.l.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer
* Gregory Alan Cole	A Director
* Olivier Dorier	B Director
* Chok Kien Lo (Stewart) Kam-Cheong	B Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Evergreen Packaging (Luxembourg) S.à r.l has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Evergreen Packaging (Luxembourg) S.à r.l

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer
* Gregory Alan Cole	A Director
* Herman Schommarz	B Director
* Chok Kien Lo (Stewart) Kam-Cheong	B Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-95

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Bienes Industriales del Norte, S.A. de C.V.
CSI en Ensenada, S. de R.L. de C.V.
CSI en Saltillo, S. de R.L. de C.V.
CSI Tecniservicio, S. de R.L. de C.V.
Grupo CSI de Mexico, S. de R.L. de C.V.
Técnicos de Tapas Innovativas, S.A. de C.V.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer of each above named registrant
Malcolm Bundey	
*	Principal Financial Officer, Principal Accounting Officer and Director of each above named registrant
Robert Eugene Smith	
*	Director of each above named registrant
Charles Thomas Cox	
*	Director of each above named registrant
Paul Donald Thomas	
*	Authorized U.S. Representative of each above named registrant
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-96

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Evergreen Packaging Mexico, S. de R.L. de C.V. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Evergreen Packaging Mexico, S. de R.L. de C.V.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer and Director
* Ricardo Felipe Alvergue	Principal Financial Officer, Principal Accounting Officer and Director of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Metals Company de Mexico, S. de R.L. de C.V. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Metals Company de
Mexico, S. de R.L. de C.V.

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
John McGrath	
*	Principal Financial Officer
Gary A. Thomas	
*	Principal Accounting Officer
Gino Mangione	
*	Director
Michael Eugene Graham	
*	Director
Thomas James Degnan	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv Foodservice Mexico, S. de R.L. de C.V.
Grupo Corporativo Jaguar S.A. de C.V.
Servicio Terrestre Jaguar S.A. de C.V.
Servicios Industriales Jaguar S.A. de C.V.

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* John McGrath	Principal Executive Officer and Director of each above named registrant
* Gary Thomas	Principal Financial Officer of each above named registrant
* Gino Mangione	Principal Accounting Officer of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-99

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Pactiv Mexico, S. de R.L. de C.V. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv Mexico, S. de R.L. de C.V.

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
John McGrath	
*	Principal Financial Officer
Gary Thomas	
*	Principal Accounting Officer
Gino Mangione	
	Director
William M. Dutt	
*	Director
Anthony Peter Wiechert	
*	Director
Francisco Javier Bejar Hinojosa	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Ultra Pac, Inc. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Ultra Pac, Inc.

By: /s/ John McGrath

Name: John McGrath

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
/s/ John McGrath John McGrath	Chief Executive Officer and President (Principal Executive Officer)
* Gary Thomas	Principal Financial Officer
* Gino Mangione	Principal Accounting Officer
* Daniel Cochran	Director
/s/ Thomas James Degnan Thomas James Degnan	Director

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Closure Systems International B.V.
Reynolds Consumer Products International B.V.
Reynolds Packaging International B.V.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer of each above named registrant
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer of each above named registrant
* Gregory Alan Cole	A Director of each above named registrant
* Orangefield Trust (Netherlands) B.V.	B Director of each above named registrant
* Joseph Doyle	Authorized U.S. Representative of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Evergreen Packaging International B.V. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Evergreen Packaging International B.V.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer
* Eleonora Jongsma	A Director
* Orangefield Trust (Netherlands) B.V.	A Director
* Gregory Alan Cole	B Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Whakatane Mill Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

Whakatane Mill Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Allen Philip Hugli	
*	Director
Gregory Alan Cole	
*	Director
Bryce McCheyne Murray	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, BRPP, LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Memphis, Tennessee on June 21, 2012.

BRPP, LLC

By: Blue Ridge Paper Products, Inc., its sole member

By: /s/ John Rooney

Name: John Rooney

Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	**Title**
* John Rooney	Chief Executive Officer, President, and Director of its sole member (Principal Executive Officer)
* Ricardo Felipe Alvergue	Chief Financial Officer of its sole member (Principal Financial Officer and Principal Accounting Officer)
* Malcolm Bundey	Director of its sole member
* Allen Philip Hugli	Director of its sole member
* Thomas James Degnan	Director of its sole member
* Helen Dorothy Golding	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG allCap AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG allCap AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer and Director
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer
* André Rosenstock	Director
* Samuel Sigrist	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Group AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Group AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Robert Lombardini	
*	Director
Thomas James Degnan	
*	Director
Graeme Richard Hart	
*	Director
Dr. Jakob Höhn	
*	Authorized U.S. Representative

Joseph Doyle

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Procurement AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Procurement AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer and Director
* André Rosenstock	Director
* Samuel Sigrist	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-108

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc (Schweiz) AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc (Schweiz) AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Wolfgang Ornig	
	Director
Frank Buchholz	
*	Director
Samuel Sigrist	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Schweizerische Industrie-Gesellschaft AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Schweizerische Industrie-Gesellschaft AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer and Director
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Holger Dickers	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Technology AG has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Technology AG

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Rolf Stangl	Principal Executive Officer
* Marco Haussener	Principal Financial Officer
* Arnold Pezzatti	Principal Accounting Officer and Director
* Hans Betz	Director
* André Rosenstock	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Ltd. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Ltd.

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Karl Joseph Eagle	
	Director
Monika Millinger	
*	Director
André Rosenstock	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Closure Systems International (UK) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Closure Systems International (UK) Limited

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Principal Executive Officer
* Robert Eugene Smith	Principal Financial Officer, Principal Accounting Officer and Director
Susan Foster	Director
* Francisco Javier Hernandez Munoz	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

IVEX Holdings, Ltd.
Kama Europe Limited

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer of each above named registrant
John McGrath	
*	Principal Financial Officer of each above named registrant
Gary Thomas	
*	Principal Accounting Officer of each above named registrant
Gino Mangione	
*	Director of each above named registrant
Paul Donald Thomas	
*	Director of each above named registrant
Stephen John Buttery	
*	Director of each above named registrant
Susan Foster	
*	Authorized U.S. Representative of each above named registrant
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-114

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

J. & W Baldwin (Holdings) Limited
Omni-Pac U.K. Limited
The Baldwin Group Limited

By: /s/ John McGrath

Name: John McGrath

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer of each above named registrant
John McGrath	
*	Principal Financial Officer of each above named registrant
Gary Thomas	
*	Principal Accounting Officer of each above named registrant
Gino Mangione	
*	Director of each above named registrant
Helen Dorothy Golding	
*	Director of each above named registrant
Allen Philip Hugli	
*	Director of each above named registrant
Gregory Alan Cole	
*	Authorized U.S. Representative of each above named registrant
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-115

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Consumer Products (UK) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Consumer Products (UK) Limited

By: /s/ Victor Lance Mitchell

Name: Victor Lance Mitchell

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Victor Lance Mitchell	Principal Executive Officer
* Sandra Gleason	Principal Financial Officer
* Chris Mayrhofer	Principal Accounting Officer
* Gregory Alan Cole	Director
* Helen Dorothy Golding	Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Reynolds Subco (UK) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Reynolds Subco (UK) Limited

By: /s/ Victor Lance Mitchell

Name: Victor Lance Mitchell

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Victor Lance Mitchell	
*	Principal Financial Officer
Sandra Gleason	
*	Principal Accounting Officer
Chris Mayrhofer	
*	Director
Gary Thomas	
*	Director
Gregory Alan Cole	
*	Director
Michael Eugene Graham	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Combibloc Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Combibloc Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
Malcolm Allum	
*	Director
Adrian Stanley Jackson	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SIG Holdings (UK) Limited has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Neuhausen am Rheinfall, Switzerland on June 21, 2012.

SIG Holdings (UK) Limited

By: /s/ Rolf Stangl

Name: Rolf Stangl

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	Principal Executive Officer
Rolf Stangl	
*	Principal Financial Officer and Director
Marco Haussener	
*	Principal Accounting Officer
Arnold Pezzatti	
*	Director
André Rosenstock	
*	Director
Adrian Stanley Jackson	
*	Authorized U.S. Representative
Joseph Doyle	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-119

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

GPC Capital Corp. I
GPC Capital Corp. II
Graham Packaging Acquisition Corp.
Graham Packaging PET Technologies Inc.
Graham Packaging Plastic Products Inc.
Graham Packaging PX Holding Corporation
Graham Packaging Regioplast STS Inc.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of each above named registrant (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of each above named registrant (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of each above named registrant
* Allen Philip Hugli	Director of each above named registrant
* Gregory Alan Cole	Director of each above named registrant
* Thomas James Degnan	Director of each above named registrant

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging PX, LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging PX, LLC

By: Graham Packaging PX Holding Corporation, its sole member

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of its sole member (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of its sole member (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of its sole member
* Allen Philip Hugli	Director of its sole member
* Gregory Alan Cole	Director of its sole member
* Thomas James Degnan	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, GPACSUB LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

GPACSUB LLC

By: Graham Packaging Plastic Products Inc., its sole member

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of its sole member (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of its sole member (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of its sole member
* Allen Philip Hugli	Director of its sole member
* Gregory Alan Cole	Director of its sole member
* Thomas James Degnan	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the GPC Opco GP LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

GPC Opco GP LLC

By: Graham Packaging Holdings Company, its sole member
By: BCP/Graham Holdings L.L.C., the general partner of Graham Packaging Holdings Company
By: Graham Packaging Company Inc., the sole member of BCP/Graham Holdings L.L.C.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging Company Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging Company Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging Company Inc.
* Allen Philip Hugli	Director of Graham Packaging Company Inc.
* Gregory Alan Cole	Director of Graham Packaging Company Inc.
* Thomas James Degnan	Director of Graham Packaging Company Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging LP Acquisition LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging LP Acquisition LLC

By: Graham Packaging PET Technologies Inc., its sole member

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of its sole member (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of its sole member (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of the sole member of its sole member
* Allen Philip Hugli	Director of the sole member of its sole member
* Gregory Alan Cole	Director of the sole member of its sole member
* Thomas James Degnan	Director of the sole member of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

GPC Sub GP LLC
Graham Packaging Minster LLC
Graham Packaging West Jordan, LLC

By: Graham Packaging Company, L.P., its sole member
By: GPC Opco GP LLC, the general partner of Graham Packaging Company, L.P.
By: Graham Packaging Holdings Company, the sole member of GPC Opco GP LLC
By: BCP/Graham Holdings L.L.C., the general partner of Graham Packaging Holdings Company
By: Graham Packaging Company Inc., the sole member of BCP/Graham Holdings L.L.C.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging Company Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging Company Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging Company Inc.
* Allen Philip Hugli	Director of Graham Packaging Company Inc.
* Gregory Alan Cole	Director of Graham Packaging Company Inc.
*	Director of Graham Packaging Company Inc.

Thomas James Degnan

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-125

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging Company, L.P. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging Company, L.P.

By: GPC Opco GP LLC, its general partner
By: Graham Packaging Holdings Company, the sole member of GPC Opco GP LLC
By: BCP/Graham Holdings L.L.C., the general
partner of Graham Packaging Holdings Company
By: Graham Packaging Company Inc., the sole
member of BCP/Graham Holdings L.L.C.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging Company Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging Company Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging Company Inc.
* Allen Philip Hugli	Director of Graham Packaging Company Inc.
* Gregory Alan Cole	Director of Graham Packaging Company Inc.
* Thomas James Degnan	Director of Graham Packaging Company Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-126

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging Holdings Company has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging Holdings Company

By: BCP/Graham Holdings L.L.C., its general partner
By: Graham Packaging Company Inc., the sole member of BCP/Graham Holdings L.L.C.

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging Company Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging Company Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging Company Inc.
* Allen Philip Hugli	Director of Graham Packaging Company Inc.
* Gregory Alan Cole	Director of Graham Packaging Company Inc.
* Thomas James Degnan	Director of Graham Packaging Company Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-127

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging PX Company has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging PX Company

By: Graham Packaging PX Holding Corporation, the partner of Graham Packaging PX Company and the sole member of Graham Packaging PX, LLC, the partner of Graham Packaging PX Company

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging PX Holding Corporation (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging PX Holding Corporation (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging PX Holding Corporation
* Allen Philip Hugli	Director of Graham Packaging PX Holding Corporation
* Gregory Alan Cole	Director of Graham Packaging PX Holding Corporation
* Thomas James Degnan	Director of Graham Packaging PX Holding Corporation

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Recycling Company, L.P. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Recycling Company, L.P.

By: GPC Sub GP LLC, its general partner
By: Graham Packaging Company, L.P., the sole member of GPC Sub GP LLC
By: GPC Opco GP LLC, the general partner of Graham Packaging Company, L.P.
By: Graham Packaging Holdings Company, the sole member of GPC Opco GP LLC
By: BCP/Graham Holdings L.L.C., the general partner of Graham Packaging Holdings Company
By: Graham Packaging Company Inc., the sole member of BCP/Graham Holdings L.L.C.

By: /s/ Malcolm Bundey
Name: Malcolm Bundey
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging Company Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging Company Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging Company Inc.
* Allen Philip Hugli	Director of Graham Packaging Company Inc.
*	Director of Graham Packaging Company Inc.

Gregory Alan Cole	
*	Director of Graham Packaging Company Inc.
Thomas James Degnan	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging LC, L.P. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging LC, L.P.

By: Graham Packaging GP Acquisition LLC, its general partner
By: Graham Packaging PET Technologies Inc., the sole member of Graham Packaging GP Acquisition LLC

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of Graham Packaging PET Technologies Inc. (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of Graham Packaging PET Technologies Inc. (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of Graham Packaging PET Technologies Inc.
* Allen Philip Hugli	Director of Graham Packaging PET Technologies Inc.
* Gregory Alan Cole	Director of Graham Packaging PET Technologies Inc.
* Thomas James Degnan	Director of Graham Packaging PET Technologies Inc.

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-130

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Beverage Packaging Holdings (Luxembourg) IV S.à r.l. has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Beverage Packaging Holdings (Luxembourg) IV
S.à r.l.

By: /s/ Thomas James Degnan

Name: Thomas James Degnan

Title: Principal Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Thomas James Degnan	Principal Executive Officer
* Allen Philip Hugli	Principal Financial Officer and Principal Accounting Officer
* Gregory Cole	A Director
* Chok Kien Lo (Stewart) Kam-Cheong	B Director
* Herman Schommarz	B Director
* Joseph Doyle	Authorized U.S. Representative

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

II-131

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Graham Packaging GP Acquisition LLC has duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana on June 21, 2012.

Graham Packaging GP Acquisition LLC

By: Graham Packaging PET Technologies Inc., its sole member

By: /s/ Malcolm Bundey

Name: Malcolm Bundey

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
* Malcolm Bundey	Chief Executive Officer of its sole member (Principal Executive Officer)
* Michael Eugene Graham	Chief Financial Officer of its sole member (Principal Financial Officer and Principal Accounting Officer)
* Helen Dorothy Golding	Director of its sole member
* Allen Philip Hugli	Director of its sole member
* Gregory Alan Cole	Director of its sole member
* Thomas James Degnan	Director of its sole member

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrants have duly caused this registration statement on Form F-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lake Forest, Illinois on June 21, 2012.

Pactiv International Holdings Inc.

By: /s/ John McGrath

Name: John McGrath

Title: President

Pursuant to the requirements of the Securities Act, this registration statement has been signed on June 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President (Principal Executive Officer)
John McGrath	
*	Principal Financial Officer
Gary Thomas	
*	Principal Accounting Officer
Gino Mangione	
*	Director
Helen Dorothy Golding	
*	Director
Allen Philip Hugli	
*	Director
Gregory Alan Cole	
*	Director
Thomas James Degnan	

* /s/ Joseph Doyle

Joseph Doyle
Attorney-in-Fact

Table of Contents

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1.*	Stock Purchase Agreement by and among Reynolds Consumer Products (NZ) Limited, Beverage Packaging Holdings (Luxembourg) III S.à r.l. and Reynolds Group Holding Inc., dated October 15, 2009
2.2.*	Stock Purchase Agreement by and between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and Closure Systems International (NZ) Limited, dated October 15, 2009
2.3.*	Stock Purchase Agreement by and among Reynolds Packaging (NZ) Limited, Beverage Packaging Holdings (Luxembourg) III S.A R.L., Closure Systems International BV and Reynolds Group Holdings Inc., dated September 1, 2010
2.4.*	Asset Purchase Agreement between Whakatane Mill Limited and Carter Holt Harvey Limited, dated as of April 25, 2010
2.5.*	Reorganization Agreement by and among Carter Holt Harvey Limited, Beverage Packaging Holdings (Luxembourg) III S.A R.L., Reynolds Group Holdings Inc., Evergreen Packaging US Limited and Evergreen Packaging New Zealand Limited, dated April 25, 2010
2.6.*	Agreement and Plan of Merger between Rank Group Limited, Reynolds Group Holdings Limited, Reynolds Corporation and Pactiv Corporation, dated August 16, 2010
2.7.*	Stock Purchase Agreement by and among Cascades USA, Inc. and Reynolds Group Holdings Limited, dated as of March 3, 2011
2.8.	Stock and Unit Purchase Agreement by and among Liquid Container L.P., each of the stockholders of Liquid Container Inc., CPG-L Holdings Inc., and WCK-L Holdings Inc., and each of the limited partners of Liquid Container L.P., Graham Packaging Acquisition Corp. and Graham Packaging Acquisition Corp., dated as of August 9, 2010 (incorporated by reference to Exhibit 2.1 to Graham Packaging Company Inc. s Current Report on Form 8-K (No. 001-34621) filed August 13, 2010)
2.9.	Agreement and Plan of Merger between Reynolds Group Holdings Limited, Bucephalas Acquisition Corp. and Graham Packaging Company Inc., dated as of June 17, 2011 (incorporated by reference to Exhibit 2.1 to Graham Packaging Company Inc. s Current Report on Form 8-K (No. 001-34621) filed June 22, 2011)
2.10.	Amendment to the Agreement and Plan of Merger between Reynolds Group Holdings Limited, Bucephalas Acquisition Corp. and Graham Packaging Company Inc., dated as of June 17, 2011 (incorporated by reference to Exhibit 2.2 to Graham Packaging Company Inc. s Current Report on Form 8-K (No. 001-34621) filed June 22, 2011)
3.1.*	Constitution of Reynolds Group Holdings Limited
3.2.*	Certificate of Incorporation of Reynolds Group Issuer Inc.
3.3.*	By-Laws of Reynolds Group Issuer Inc.
3.4.*	Certificate of Formation of Reynolds Group Issuer LLC
3.5.*	Limited Liability Company Agreement of Reynolds Group Issuer LLC
3.6.*	Articles of Association of Reynolds Group Issuer (Luxembourg) S.A.
3.7.*	Certificate of Incorporation of Bakers Choice Products, Inc.
3.8.*	Second Amended and Restated By-Laws of Bakers Choice Products, Inc.
3.9.*	Third Restated Certificate of Incorporation of Blue Ridge Holding Corp.
3.10.*	Amended and Restated By-Laws of Blue Ridge Holding Corp.
3.11.*	Certificate of Incorporation of Blue Ridge Paper Products Inc.
3.12.*	The Amended and Restated By-Laws of Blue Ridge Paper Products Inc.

3.13.*	Amended and Restated Certificate of Incorporation of Closure Systems International Americas, Inc.
3.14.*	By-Laws of Closure Systems International Americas, Inc.
3.15.*	Certificate of Incorporation of Closure Systems International Holdings Inc.
3.16.*	By-Laws of Closure Systems International Inc. (now known as Closure Systems International Holdings Inc.)

Table of Contents

Exhibit Number	Exhibit Description
3.17.*	Certificate of Incorporation of Closure Systems International Inc.
3.18.*	Amended and Restated By-Laws of Closure Systems International Inc.
3.19.*	Certificate of Formation of Closure Systems Mexico Holdings LLC
3.20.*	Amended and Restated Limited Liability Company Agreement of Closure Systems Mexico Holdings LLC
3.21.*	Certificate of Formation of CSI Mexico LLC
3.22.*	Amended and Restated Limited Liability Company Agreement of CSI Mexico LLC
3.23.*	Certificate of Incorporation of CSI Sales & Technical Services Inc.
3.24.*	By-Laws of CSI Sales & Technical Services Inc.
3.25.*	Certificate of Incorporation of Evergreen Packaging Inc.
3.26.*	Amended and Restated By-Laws of Evergreen Packaging Inc.
3.27.*	Certificate of Incorporation of Evergreen Packaging International (US) Inc.
3.28.*	Amended and Restated By-Laws of Evergreen Packaging International (US) Inc.
3.29.*	Certificate of Incorporation of Evergreen Packaging USA Inc.
3.30.*	Amended and Restated By-Laws of Evergreen Packaging USA Inc.
3.31.*	Certificate of Formation of Reynolds Consumer Products Holdings LLC (formerly known as Reynolds Consumer Products Holdings Inc.)
3.32.*	Limited Liability Company Agreement of Reynolds Consumer Products Holdings LLC (formerly known as Reynolds Consumer Products Holdings Inc.)
3.33.*	Certificate of Incorporation of Reynolds Presto Products Inc. (formerly known as Reynolds Consumer Products Inc.)
3.34.*	Seconded Amended and Restated By-Laws of Reynolds Consumer Products Inc. (now known as Reynolds Presto Products Inc.)
3.35.*	Certificate of Incorporation of Reynolds Flexible Packaging Inc.
3.36.*	By-Laws of Reynolds Flexible Packaging Inc.
3.37.*	Certificate of Incorporation of Reynolds Consumer Products Inc. (formerly known as Reynolds Foil Inc.)
3.38.*	By-Laws of Reynolds Aluminum Inc. (now known as Reynolds Consumer Products Inc., formerly known as Reynolds Foil Inc.)
3.39.*	Certificate of Formation of Reynolds Food Packaging LLC
3.40.*	Amended and Restated Limited Liability Company Agreement of Reynolds Food Packaging LLC
3.41.*	Certificate of Incorporation of Reynolds Group Holdings Inc.
3.42.*	By-Laws of Reynolds Group Holdings Inc.
3.43.*	Certificate of Formation of Reynolds Packaging Holdings LLC (formerly known as Reynolds Packaging Inc.)
3.44.*	Limited Liability Company Agreement of Reynolds Packaging Holdings LLC (formerly known as Reynolds Packaging Inc.)
3.45.*	Certificate of Incorporation of Reynolds Packaging Kama Inc.
3.46.*	Amended and Restated By-Laws of Reynolds Packaging Kama Inc.
3.47.*	Certificate of Formation of Reynolds Packaging LLC
3.48.*	Amended and Restated Limited Liability Company Agreement of Alcoa Packaging LLC (now known as Reynolds Packaging LLC)
3.49.*	Certificate of Incorporation of Closure Systems International Packaging Machinery Inc.
3.50.*	By-Laws of Alcoa Packaging Machinery, Inc. (now known as Closure Systems International Packaging Machinery Inc.)
3.51.*	Certificate of Incorporation of Reynolds Services Inc.

II-135

Exhibit Number	Exhibit Description
3.52.*	By-Laws of Reynolds Services Inc.
3.53.*	Amended and Restated Certificate of Incorporation of SIG Combibloc Inc.
3.54.*	Amended and Restated By-Laws of SIG Combibloc Inc.
3.55.*	Certificate of Formation of SIG Holding USA, LLC (formerly known as SIG Holding USA, Inc.)
3.56.*	Limited Liability Company Agreement of SIG Holding USA, LLC (formerly known as SIG Holding USA, Inc.)
3.57.*	Articles of Incorporation of Southern Plastics Inc.
3.58.*	By-Laws of Southern Plastics Inc.
3.59.*	Articles of Incorporation of Ultra Pac, Inc.
3.60.*	By-Laws of Package Acquisition, Inc. (now known as Ultra Pac, Inc.)
3.61.*	Limited Liability Company Articles of Organization of BRPP, LLC
3.62.*	Operating Agreement of BRRP, LLC
3.63.*	Constitution of Whakatane Mill Australia Pty Limited
3.64.*	Articles of Association of SIG Austria Holding GmbH
3.65.*	Articles of Association of SIG Combibloc GmbH (Austria)
3.66.*	Articles of Association of SIG Combibloc GmbH & Co KG
3.67.*	Twelfth Amendment and Consolidation of the Articles of Incorporation of Closure Systems International (Brazil) Sistemas de Vedaçäo Ltda.
3.68.*	Twenty-Third Amendment and Consolidation of the Articles of Incorporation of SIG Beverages Brasil Ltda.
3.69.*	Forty-Second Amendment and Consolidation of the Articles of Incorporation of SIG Combibloc do Brasil Ltda.
3.70.*	Memorandum of Association and Articles of Association of CSI Latin American Holdings Corporation (formerly known as Alcoa Latin American Holdings Corporation)
3.71.*	Amendment and Restatement of Articles of Incorporation of Dopaco, Inc.
3.72.*	Amended and Restated By-laws of Dopaco, Inc.
3.73.*	Articles of Amalgamation of Evergreen Packaging Canada Limited
3.74.*	By-Law No. 1A of Evergreen Packaging Canada Limited
3.75.	[Reserved]
3.76.*	Articles of Association of Evergreen Packaging (Luxembourg) S.à r.l
3.77.*	Articles of Incorporation of CSI Closure Systems Manufacturing de Centro America, S.R.L.
3.78.*	Company Agreement of Closure Systems International Deutschland GmbH
3.79.*	Articles of Association of Closure Systems International Holdings (Germany) GmbH
3.80.*	Articles of Association of SIG Beverages Germany GmbH
3.81.*	Articles of Association of SIG Combibloc GmbH (Germany)
3.82.*	Articles of Association of SIG Combibloc Holding GmbH
3.83.*	Articles of Association of SIG Combibloc Systems GmbH
3.84.*	Articles of Association of SIG Combibloc Zerspanungstechnik GmbH
3.85.*	Articles of Association of SIG Euro Holding AG & Co. KgaA
3.86.*	Articles of Association of SIG Information Technology GmbH
3.87.*	Articles of Association of SIG International Services GmbH
3.88.*	Articles of Association of SIG Beteiligungs GmbH
3.89.*	Memorandum and Articles of Incorporation of SIG Asset Holdings Limited
3.90.*	Memorandum and Articles of Association of Closure Systems International (Hong Kong) Limited
3.91.*	Memorandum and Articles of Association of Evergreen Packaging (Hong Kong) Limited

Exhibit Number	Exhibit Description
3.92.*	Memorandum and Articles of Association of SIG Combibloc Limited (Hong Kong)
3.93.	[Reserved]
3.94.*	Deed of Foundation for a Single Member Limited Liability Company of CSI Hungary Manufacturing and Trading Limited Liability Company
3.95.*	Articles of Incorporations of Closure Systems International Holdings (Japan) KK
3.96.*	Articles of Incorporations of Closure Systems International Japan, Limited
3.97.*	Updated Articles of Association of Beverage Packaging Holdings (Luxembourg) I S.A.
3.98.*	Updated Articles of Association of Beverage Packaging Holdings (Luxembourg) III S.à r.l
3.99.*	By-Laws of Bienes Industriales del Norte S.A. de C.V.
3.100.*	By-Laws of CSI en Ensenada, S. de R.L. de C.V.
3.101.*	By-Laws of CSI en Saltillo, S. de R.L. de C.V.
3.102.*	By-Laws of CSI Tecniservicio, S. de R.L. de C.V.
3.103.*	By-Laws of Evergreen Packaging Mexico, S. de R.L. de C.V.
3.104.*	By-Laws of Grupo CSI de Mexico, S. de R.L. de C.V.
3.105.	[Reserved]
3.106.*	By-Laws of Reynolds Metals Company de Mexico, S. de R.L. de C.V.
3.107.*	By-Laws of Técnicos de Tapas Innovativas, S.A de C.V.
3.108.*	Articles of Association of Closure Systems International B.V.
3.109.*	Articles of Association of Evergreen Packaging International B.V.
3.110.*	Articles of Association of Reynolds Consumer Products International B.V.
3.111.*	Articles of Association of Reynolds Packaging International B.V.
3.112.*	Constitution of Kalimdor Investments Limited (now known as Whakatane Mill Limited)
3.113.*	Articles of Incorporation of SIG allCap AG
3.114.*	Articles of Incorporation of SIG Combibloc (Schweiz) AG
3.115.*	Articles of Incorporation of SIG Combibloc Group AG
3.116.*	Organizational Bylaws of SIG Combibloc Group AG
3.117.*	Articles of Incorporation of SIG Combibloc Procurement AG
3.118.*	Organizational Bylaws of SIG Combibloc Procurement AG
3.119.*	Articles of Incorporation of SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG)
3.120.	[Reserved]
3.121.*	Articles of Incorporation of SIG Technology AG
3.122.*	Memorandum of Association of SIG Combibloc Ltd. (Thailand)
3.123.*	Articles of Association of SIG Combibloc Ltd. (Thailand)
3.124.*	Memorandum of Association of Closure Systems International (UK) Limited
3.125.*	Articles of Association of Closure Systems International (UK) Limited
3.126.*	Memorandum of Association of Ivex Holdings, Ltd.
3.127.*	Articles of Association of Ivex Holdings, Ltd.
3.128.*	Memorandum of Association of Kama Europe Limited
3.129.*	Articles of Association of Kama Europe Limited
3.130.*	Memorandum of Association of Reynolds Consumer Products (UK) Limited
3.131.*	Articles of Association of Reynolds Consumer Products (UK) Limited
3.132.*	Memorandum of Association of Reynolds SubCo (UK) Limited
3.133.*	Articles of Association Baco Consumer Products Limited (now known as Reynolds SubCo (UK) Limited)

Table of Contents

Exhibit Number	Exhibit Description
3.134.*	Memorandum of Association of SIG Combibloc Limited (UK)
3.135.*	Articles of Association of SIG Combibloc Limited (UK)
3.136.*	Memorandum of Association of SIG Holdings (UK) Limited
3.137.*	New Articles of Association of SIG Holdings (UK) Limited
3.138.	[Reserved]
3.139.	[Reserved]
3.140.	[Reserved]
3.141.	[Reserved]
3.142.	[Reserved]
3.143.	[Reserved]
3.144.*	Certificate of Formation of Pactiv LLC (formerly known as Pactiv Corporation)
3.145.*	Limited Liability Company Agreement of Pactiv LLC (formerly known as Pactiv Corporation)
3.146.*	Certificate of Formation of Pactiv Factoring LLC
3.147.*	Amended and Restated Limited Liability Company Agreement of Pactiv Factoring LLC
3.148.*	Certificate of Incorporation of Pactiv Germany Holdings, Inc.
3.149.*	Amended and Restated By-Laws of Pactiv Germany Holdings, Inc.
3.150.*	Certificate of Incorporation of Pactiv International Holdings Inc.
3.151.*	Amended and Restated By-Laws of Pactiv International Holdings Inc.
3.152.*	Certificate of Formation of Pactiv Management Company LLC
3.153.*	Limited Liability Company Agreement of Pactiv Management Company LLC
3.154.*	Certificate of Formation of Pactiv Retirement Administration LLC
3.155.*	Amended and Restated Limited Liability Company Agreement of Pactiv Retirement Administration LLC
3.156.*	Certificate of Formation of Pactiv RSA LLC
3.157.*	Amended and Restated Limited Liability Company Agreement of Pactiv RSA LLC
3.158.*	Certificate of Incorporation of PCA West Inc.
3.159.*	Amended and Restated By-Laws of PCA West Inc.
3.160.*	Amended and Restated Certificate of Incorporation of Prairie Packaging, Inc.
3.161.*	Amended and Restated By-Laws of Prairie Packaging, Inc.
3.162.	[Reserved]
3.163.	[Reserved]
3.164.*	Amended and Restated Certificate of Incorporation of PWP Industries, Inc.
3.165.*	Amended and Restated By-Laws of PWP Industries, Inc.
3.166.*	Restated Certificate of Incorporation of Newspring Industrial Corp.
3.167.*	Amended and Restated By-Laws of Newspring Industrial Corp.
3.168.*	Memorandum of Association of J. &W. Baldwin (Holdings) Limited
3.169.*	Articles of Association of J. & W. Baldwin (Holdings) Limited
3.170.*	Memorandum of Association of The Baldwin Group Limited
3.171.*	Articles of Association of The Baldwin Group Limited
3.172.*	Memorandum of Association of Omni-Pac U.K. Limited
3.173.*	Articles of Association of Omni-Pac U.K. Limited
3.174.*	Articles of Association of Omni-Pac Ekco GmbH Verpackungsmittel
3.175.*	Articles of Association of Omni-Pac GmbH Verpackungsmittel
3.176.*	Articles of Association of Pactiv Deutschland Holdinggesellschaft Mbh

Table of Contents

Exhibit Number	Exhibit Description
3.177.*	Certificate of Incorporation of Reynolds Manufacturing, Inc.
3.178.*	By-laws of Pactiv Foodservice Mexico, S. de R.L. de C.V. (formerly known as Central de Bolsas, S. de R.L. de C.V.)
3.179.*	By-laws of Grupo Corporativo Jaguar, S.A. de C.V.
3.180.*	By-laws of Pactiv Mexico, S. de R.L. de C.V.
3.181.*	By-laws of Servicios Industriales Jaguar, S.A. de C.V.
3.182.*	By-laws of Servicio Terrestre Jaguar, S.A. de C.V.
3.183.*	Articles of Amalgamation of Pactiv Canada Inc.
3.184.*	By-Law No. 1 of Pactiv Canada Inc.
3.185.*	Certificate of Formation of BCP/Graham Holdings L.L.C.
3.186.*	Limited Liability Company Agreement of BCP/Graham Holdings L.L.C.
3.187.*	Certificate of Formation of GPC Holdings LLC
3.188.*	Limited Liability Company Agreement of GPC Holdings LLC
3.189.*	Certificate of Incorporation of Graham Packaging Company Inc.
3.190.*	By-laws of Graham Packaging Company Inc.
3.191.*	By-laws of Reynolds Manufacturing, Inc.
3.192.*	Certificate of Incorporation of RenPac Holdings Inc.
3.193.*	By-laws of RenPac Holdings Inc.
3.194.	Certificate of Formation of GPACSUB LLC (incorporated by reference to Exhibit 3.54 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-167976-18) filed July 2, 2010)
3.195.*	Amended and Restated Limited Liability Company Agreement of GPACSUB LLC
3.196.	Certificate of Incorporation of GPC Capital Corp. I (incorporated by reference to Exhibit 3.3 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed May 26, 1998)
3.197.	By-Laws of GPC Capital Corp. I (incorporated by reference to Exhibit 3.4 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed May 26, 1998)
3.198.	Certificate of Incorporation of GPC Capital Corp. II (incorporated by reference to Exhibit 3.7 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed May 26, 1998)
3.199.	By-Laws of GPC Capital Corp. II (incorporated by reference to Exhibit 3.8 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed May 26, 1998)
3.200.	Certificate of Formation of GPC Opco GP, LLC (incorporated by reference to Exhibit 3.9 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-01) filed May 26, 1998)
3.201.	Limited Liability Company Agreement of GPC Opco GP, LLC (incorporated by reference to Exhibit 3.11 to Graham Packaging Company, L.P. s Registration Statement on Form S-4 (No. 333-125173-01) filed May 24, 2005)
3.202.	Certificate of Formation of GPC Sub GP LLC (incorporated by reference to Exhibit 3.11 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.203.	Limited Liability Company Agreement of GPC Sub GP LLC (incorporated by reference to Exhibit 3.11 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)

3.204. Certificate of Incorporation of Graham Packaging Acquisition Corp. (incorporated by reference to Exhibit 3.23 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)

Exhibit Number	Exhibit Description
3.205.	By-Laws of Graham Packaging Acquisition Corp. (incorporated by reference to Exhibit 3.24 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.206.*	Amended and Restated Certificate of Limited Partnership of Graham Packaging Company, L.P.
3.207.	Amended and Restated Agreement of Limited Partnership of Graham Packaging Company, L.P. (incorporated by reference to Exhibit 3.2 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed May 26, 1998)
3.208.*	Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Graham Packaging Company, L.P.
3.209.*	Limited Liability Company Agreement of Graham Packaging GP Acquisition LLC
3.210.*	Certificate of Formation of Graham Packaging GP Acquisition LLC
3.211.*	Amended and Restated Certificate of Limited Partnership of Graham Packaging LC, L.P.
3.212.*	Fifth Amended and Restated Agreement of Limited Partnership of Graham Packaging LC, L.P.
3.213.	Certificate of Formation of Graham Packaging LP Acquisition LLC (incorporated by reference to Exhibit 3.72 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.214.	Limited Liability Company Agreement of Graham Packaging LP Acquisition LLC (incorporated by reference to Exhibit 3.73 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.215.	Amended and Restated Certificate of Incorporation of Graham Packaging PET Technologies Inc. (incorporated by reference to Exhibit 3.26 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-167976-18) filed July 2, 2010)
3.216.	Amended and Restated By-Laws of Graham Packaging PET Technologies Inc. (incorporated by reference to Exhibit 3.28 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.217.	Certificate of Incorporation of Graham Packaging Plastic Products Inc. (incorporated by reference to Exhibit 3.25 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.218.	Amendment to the Restated Certificate of Incorporation of Graham Packaging Plastic Products Inc. (incorporated by reference to Exhibit 3.24 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-167976-18) filed July 2, 2010)
3.219.	By-Laws of Graham Packaging Plastic Products Inc. (incorporated by reference to Exhibit 3.26 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.220.	Certificate of Incorporation of Graham Packaging PX Holding Corporation (incorporated by reference to Exhibit 3.59 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.221.	Certificate of Amendment of Certificate of Incorporation of Graham Packaging PX Holding Corporation (incorporated by reference to Exhibit 3.60 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.222.	Certificate of Amendment of Certificate of Incorporation of Graham Packaging PX Holding Corporation (incorporated by reference to Exhibit 3.61 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.223.	By-Laws of Graham Packaging PX Holding Corporation (incorporated by reference to Exhibit 3.62 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)

3.224.	Certificate of Incorporation of Graham Packaging Regioplast STS Inc. (incorporated by reference to Exhibit 3.29 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)

Exhibit Number	Exhibit Description
3.225.	By-Laws of Graham Packaging Regioplast STS Inc. (incorporated by reference to Exhibit 3.30 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.226.	Partnership Agreement of Graham Packaging PX Company (incorporated by reference to Exhibit 3.54 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.227.	Form of First Amendment to Partnership Agreement of Graham Packaging PX Company (incorporated by reference to Exhibit 3.55 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.228.	Second Amendment to Partnership Agreement of Graham Packaging PX Company (incorporated by reference to Exhibit 3.56 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.229.	Third Amendment to Partnership Agreement of Graham Packaging PX Company (incorporated by reference to Exhibit 3.57 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.230.	Fourth Amendment to Partnership Agreement of Graham Packaging PX Company (incorporated by reference to Exhibit 3.58 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.231.	Articles of Incorporation of Graham Packaging PX, LLC (incorporated by reference to Exhibit 3.63 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.232.	Certificate of Amendment of Articles of Incorporation of Graham Packaging PX, LLC (incorporated by reference to Exhibit 3.64 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.233.	Articles of Conversion of Graham Packaging PX, LLC (incorporated by reference to Exhibit 3.65 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.234.	Certificate of Amendment to the Certificate of Formation of Graham Packaging PX, LLC (incorporated by reference to Exhibit 3.66 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
3.235.*	Amended and Restated Single Member Operating Agreement of Graham Packaging PX, LLC
3.236.	Articles of Organization of Graham Packaging Minster LLC (incorporated by reference to Exhibit 3.40 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-167976-18) filed July 2, 2010)
3.237.	Operating Agreement of Graham Packaging Minster LLC (incorporated by reference to Exhibit 3.41 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-167976-18) filed July 2, 2010)
3.238.	Amended and Restated Certificate of Limited Partnership of Graham Packaging Holdings Company (incorporated by reference to Exhibit 3.5 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-53603-03) filed July 13, 1998)
3.239.*	Seventh Amended and Restated Agreement of Limited Partnership of Graham Packaging Holdings Company
3.240.	Amended and Restated Certificate of Limited Partnership of Graham Recycling Company, L.P. (incorporated by reference to Exhibit 3.17 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.241.	

	Amended and Restated Agreement of Limited Partnership of Graham Recycling Company, L.P. (incorporated by reference to Exhibit 3.18 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.242.	Amended and Restated Articles of Organization of Graham Packaging West Jordan, LLC (incorporated by reference to Exhibit 3.21 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)

Exhibit Number	Exhibit Description
3.243.	Operating Agreement of Graham Packaging West Jordan, LLC (incorporated by reference to Exhibit 3.22 to Graham Packaging Holdings Company s Registration Statement on Form S-4 (No. 333-125173-02) filed May 24, 2005)
3.244.*	Deed of Incorporation of Beverage Packaging Holdings (Luxembourg) IV S.àr.l
4.1.*	7.75% Senior Secured Notes due 2016 Indenture, dated as of November 5, 2009, among Reynolds Group DL Escrow Inc., Reynolds Group Escrow LLC and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.1.*	First Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of November 5, 2009, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.2.*	Second Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of December 2, 2009, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.3.*	Third Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of January 29, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.4.*	Fourth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of February 2, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, and Closure Systems International Americas, Inc., as additional guarantor and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.5.*	Fifth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of February 25, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, Closure Systems International (Hong Kong) Limited and SIG Combibloc Limited, as additional guarantors and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.6.*	Sixth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of March 4, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.7.*	Seventh Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of March 30, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London)

	Limited, as additional collateral agent
4.1.8.*	Eighth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of May 4, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent

Table of Contents

Exhibit Number	Exhibit Description
4.1.9.*	Ninth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of June 17, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, Whakatane Mill Australia Pty. Limited, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and original collateral agent and Wilmington Trust (London) Limited as additional collateral agent
4.1.10.*	Tenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016, dated as of September 1, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.11.*	Eleventh Supplemental Indenture to the 7.75% Senior Secured Notes due 2016, dated as of November 9, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.12.*	Twelfth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.13.*	Thirteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.14.*	Fourteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.15.*	Fifteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016, dated as of March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.1.16.*	Sixteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016, dated as of April 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent

4.1.17.*	Seventeenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of May 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent

Exhibit Number	Exhibit Description
4.1.18.*	Eighteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of August 9, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.19.*	Nineteenth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of August 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.20.*	Twentieth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.21.*	Twenty-First Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.22.*	Twenty-Second Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.1.23*	Twenty-Third Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.1.24**	Twenty-Fourth Supplemental Indenture to the 7.75% Senior Secured Notes due 2016 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.2.*	8.50% Senior Notes due 2018 Indenture, dated as of May 4, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto, The Bank of New York Mellon as trustee, principal paying agent, transfer agent and registrar and The Bank of New York Mellon, London Branch, as paying agent
4.2.1.*	First Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of June 17, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto, Beverage Packaging Holdings (Luxembourg) I S.A, Whakatane Mill Australia Pty. Limited and The Bank of New York Mellon, as trustee

4.2.2.*	Second Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of August 27, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and transfer agent and The Bank of New York Mellon, as paying agent

Exhibit Number	Exhibit Description
4.2.3.*	Third Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of September 1, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.4.*	Fourth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of November 9, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.5.*	Fifth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.2.6.*	Sixth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.2.7.*	Seventh Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.2.8.*	Eighth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of March 2, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.2.9.*	Ninth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of April 19, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.2.10.*	Tenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of May 2, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.11.*	Eleventh Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of August 5, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.12.*	Twelfth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of August 9, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.13.*	

	Thirteenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of August 19, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.14.*	Fourteenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of September 8, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee

Exhibit Number	Exhibit Description
4.2.15.*	Fifteenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of October 14, 2011 among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.16.*	Sixteenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee
4.2.17*	Seventeenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.2.18**	Eighteenth Supplemental Indenture to the 8.50% Senior Notes due 2018 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.3.*	7.125% Senior Secured Notes due 2019 Indenture, dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow Issuer I Inc. RGHL Escrow Issuer (Luxembourg) I S.A. and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, Wilmington Trust (London) Limited, as additional collateral agent and The Bank of New York Mellon, London Branch, as paying agent
4.3.1.*	First Senior Secured Notes Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.2.*	Second Senior Secured Notes Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.3.*	Third Senior Secured Notes Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.4.*	Fourth Senior Secured Notes Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and

	Wilmington Trust (London) Limited, as additional collateral agent
4.3.5.*	Fifth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of January 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent

Table of Contents

Exhibit Number	Exhibit Description
4.3.6.*	Sixth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019, Indenture, dated as of March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.3.7.*	Seventh Supplemental Indenture to the 7.125% Senior Secured Notes due 2019, Indenture, dated as of April 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.3.8.*	Eighth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of May 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.9.*	Ninth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of August 5, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.10.*	Tenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of August 9, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.11.*	Eleventh Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of August 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.12.*	Twelfth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.13.*	Thirteenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee,

	principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.14.*	Fourteenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent

Table of Contents

Exhibit Number	Exhibit Description
4.3.15.*	Fifteenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.16*	Sixteenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.3.17**	Seventeenth Supplemental Indenture to the 7.125% Senior Secured Notes due 2019 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.4.*	9.000% Senior Notes due 2019 Indenture, dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow Issuer I Inc. RGHL Escrow Issuer (Luxembourg) I S.A. , The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar and The Bank of New York Mellon, London Branch, as paying agent
4.4.1.*	First Senior Notes Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.2.*	Second Senior Notes Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.3.*	Third Senior Notes Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.4.*	Fourth Senior Notes Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of November 16, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.5.*	Fifth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of January 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal

	paying agent, transfer agent, registrar and collateral agent
4.4.6.*	Sixth Supplemental Indenture to the 9.000% Senior Notes due 2019, dated as of March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar

Exhibit Number	Exhibit Description
4.4.7.*	Seventh Supplemental Indenture to the 9.000% Senior Notes due 2019, dated as of April 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.4.8.*	Eighth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of May 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.9.*	Ninth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of August 5, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.10.*	Tenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of August 9, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.11.*	Eleventh Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of August 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.12.*	Twelfth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.13.*	Thirteenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.14.*	Fourteenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.15.*	Fifteenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.4.16*	

Sixteenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar

II-149

Exhibit Number	Exhibit Description
4.4.17**	Seventeenth Supplemental Indenture to the 9.000% Senior Notes due 2019 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.5.*	6.875% Senior Secured Notes due 2021 Indenture, dated as of February 1, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, collateral agent and registrar, Wilmington Trust (London) Limited, as additional collateral agent and The Bank of New York Mellon, London Branch, as paying agent
4.5.1.*	First Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.2.*	Second Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.3.*	Third Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.4.*	Fourth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated April 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.5.*	Fifth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of May 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.6.*	Sixth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of June 7, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London)

	Limited, as additional collateral agent
4.5.7.*	Seventh Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of August 5, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent

Exhibit Number	Exhibit Description
4.5.8.*	Eighth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of August 9, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.9.*	Ninth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of August 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.10.*	Tenth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.11.*	Eleventh Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.12.*	Twelfth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.13.*	Thirteenth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent and Wilmington Trust (London) Limited, as additional collateral agent
4.5.14*	Fourteenth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.5.15**	Fifteenth Supplemental Indenture to the 6.875% Senior Secured Notes due 2021 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal

	paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.*	8.250% Senior Notes due 2021 Indenture, dated as of February 1, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar and The Bank of New York Mellon, London Branch, as paying agent

Table of Contents

Exhibit Number	Exhibit Description
4.6.1.*	First Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.2.*	Second Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.3.*	Third Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated March 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.4.*	Fourth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated April 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar*
4.6.5.*	Fifth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of May 2, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.6.*	Sixth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of June 7, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.7.*	Seventh Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of August 5, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.8.*	Eighth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of August 9, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.9.*	Ninth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of August 19, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.10.*	

Tenth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent

Exhibit Number	Exhibit Description
4.6.11.*	Eleventh Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.12.*	7.875% Senior Secured Notes due 2019 Indenture, dated as of August 9, 2011 among RGHL US Escrow II Inc., RGHL US Escrow II LLC, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, collateral agent and registrar, Wilmington Trust (London) Limited, as additional collateral agent and The Bank of New York Mellon, London Branch, as paying agent
4.6.13.*	First Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.14.*	Second Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.15.*	9.875% Senior Notes due 2019 Indenture, dated as of August 9, 2011 among RGHL US Escrow II Inc., RGHL US Escrow II LLC, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, and registrar and The Bank of New York Mellon, London Branch, as paying agent
4.6.16.*	First Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.17.*	Second Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of September 8, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.18.*	Twelfth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.19.*	Third Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and

	Wilmington Trust (London) Limited, as additional collateral agent
4.6.20.*	Third Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of October 14, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent

Exhibit Number	Exhibit Description
4.6.21.*	Thirteenth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.22.*	Fourth Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.23.*	Fourth Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A., certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.24.*	9.875% Senior Notes (issued February 15, 2012) due 2019 Indenture, dated as of February 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, and registrar and The Bank of New York Mellon, London Branch, as paying agent
4.6.25.*	First Senior Notes Supplemental Indenture to the 9.875% Senior Notes (issued February 15, 2012) due 2019 Indenture, dated as of March 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.26.*	Second Senior Notes Supplemental Indenture to the 9.875% Senior Notes (issued February 15, 2012) due 2019 Indenture, dated as of March 20, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent
4.6.27*	Fourteenth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.28*	Fifth Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.29*	Fifth Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar

4.6.30*	Third Senior Notes Supplemental Indenture to the 9.875% Senior Notes (issued February 15, 2012) due 2019 Indenture, dated as of May 10, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar

Exhibit Number	Exhibit Description
4.6.31**	Fifteenth Supplemental Indenture to the 8.250% Senior Notes due 2021 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.32**	Sixth Senior Secured Notes Supplemental Indenture to the 7.875% Senior Secured Notes due 2019 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, registrar and collateral agent, and Wilmington Trust (London) Limited, as additional collateral agent
4.6.33**	Sixth Senior Notes Supplemental Indenture to the 9.875% Senior Notes due 2019 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.6.34**	Fourth Senior Notes Supplemental Indenture to the 9.875% Senior Notes (issued February 15, 2012) due 2019 Indenture, dated as of June 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., Beverage Packaging Holdings (Luxembourg) I S.A, certain additional note guarantors listed thereto and The Bank of New York Mellon, as trustee, principal paying agent, transfer agent and registrar
4.7.*	Registration Rights Agreement to the 7.75% Senior Secured Notes due 2016, dated as of November 5, 2009, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto and Credit Suisse Securities (USA) LLC, as representative of the initial purchasers
4.7.1.*	First Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of December 2, 2009, among certain additional note guarantors listed thereto
4.7.2.*	Second Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of January 29, 2010, among certain additional note guarantors listed thereto
4.7.3.*	Third Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of February 2, 2010, among certain additional note guarantors listed thereto
4.7.4.*	Fourth Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of February 25, 2010, among certain additional note guarantors listed thereto
4.7.5.*	Fifth Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of March 4, 2010, among certain additional note guarantors listed thereto
4.7.6.*	Sixth Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated of March 30 2010, among certain additional note guarantors listed thereto
4.7.7.*	Seventh Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of May 4, 2010, among certain additional note guarantors listed thereto
4.7.8.*	Eighth Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of June 17, 2010, among certain additional note guarantors listed thereto
4.7.9.*	Ninth Joinder to the 7.75% Senior Secured Notes due 2016 Registration Rights Agreement, dated as of November 5, 2009, among certain additional note guarantors listed thereto
4.8.*	Registration Rights Agreement to the 8.5% Senior Notes due 2018, dated as of May 4, 2010, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., certain additional note guarantors listed thereto and Credit Suisse Securities

	(USA) LLC, as representative of the initial purchasers
4.8.1.*	First Joinder to the 8.5% Senior Notes due 2018 Registration Rights Agreement, dated as of June 17, 2010, among certain additional note guarantors listed thereto
4.8.2.*	Second Joinder to the 8.5% Senior Notes due 2018 Registration Rights Agreement, dated as of August 27, 2010, among certain additional note guarantors listed thereto

Table of Contents

Exhibit Number	Exhibit Description
4.8.3.*	Third Joinder to the 8.5% Senior Notes due 2018 Registration Rights Agreement, dated as of January 14, 2010, among certain additional note guarantors listed thereto
4.8.4.*	Fourth Joinder to the 8.5% Senior Notes due 2018 Registration Rights Agreement, dated as of August 5, 2011, among certain additional note guarantors listed thereto
4.9.*	Registration Rights Agreement to the 7.125% Senior Secured Notes due 2019, dated October 15, 2010
4.9.1.*	First Joinder to the 7.125% Senior Secured Notes due 2019 Registration Rights Agreement, dated November 16, 2010, among certain additional note guarantors listed thereto
4.9.2.*	Second Joinder to the 7.125% Senior Secured Notes due 2019 Registration Rights Agreement, dated November 16, 2010, among certain additional note guarantors listed thereto
4.9.3.*	Third Joinder to the 7.125% Senior Secured Notes due 2019 Registration Rights Agreement, dated as of January 14, 2011, among certain additional note guarantors listed thereto
4.9.4.*	Fourth Joinder to the 7.125% Senior Secured Notes due 2019 Registration Rights Agreement, dated as of August 5, 2011, among certain additional note guarantors listed thereto
4.10.*	Registration Rights Agreement to Senior Notes to the 9.000% Senior Notes due 2019, dated October 15, 2010
4.10.1.*	First Joinder to the 9.000% Senior Notes due 2019 Registration Rights Agreement, dated November 16, 2010, among certain additional note guarantors listed thereto
4.10.2.*	Second Joinder to the 9.000% Senior Notes due 2019 Registration Rights Agreement, dated November 16, 2010, among certain additional note guarantors listed thereto
4.10.3.*	Third Joinder to the 9.000% Senior Notes due 2019 Registration Rights Agreement, dated as of January 14, 2011, among certain additional note guarantors listed thereto
4.10.4.*	Fourth Joinder to the 9.000% Senior Notes due 2019 Registration Rights Agreement, dated as of August 5, 2011, among certain additional note guarantors listed thereto
4.11.*	Registration Rights Agreement to the 6.875% Senior Secured Notes due 2021, dated as of February 1, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., the Closing Date Guarantors and Credit Suisse Securities (USA) LLC
4.11.1.*	First Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated March 2, 2011, among certain additional note guarantors listed thereto
4.11.2.*	Second Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated March 2, 2011, among certain additional note guarantors listed thereto
4.11.3.*	Third Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated June 7, 2011, among certain additional note guarantors listed thereto
4.11.4.*	Fourth Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated August 5, 2011, among certain additional note guarantors listed thereto
4.12.*	Registration Rights Agreement to the 8.250% Senior Notes due 2021, dated as of February 1, 2011, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., the Closing Date Guarantors and Credit Suisse Securities (USA) LLC
4.12.1.*	First Joinder to the 8.250% Senior Notes due 2021 Registration Rights Agreement, dated March 2, 2011, among certain additional note guarantors listed thereto
4.12.2.*	Second Joinder to the 8.250% Senior Notes due 2021 Registration Rights Agreement, dated March 2, 2011, among certain additional note guarantors listed thereto
4.12.3.*	Third Joinder to the 8.250% Senior Notes due 2021 Registration Rights Agreement, dated June 7, 2011, among certain additional note guarantors listed thereto
4.12.4.*	

	Fourth Joinder to the 8.250% Senior Notes due 2021 Registration Rights Agreement, dated August 5, 2011, among certain additional note guarantors listed thereto
4.12.5.*	Registration Rights Agreement to the 7.875% Senior Secured Notes due 2019, dated as of August 9, 2011

II-156

Exhibit Number	Exhibit Description
4.12.6.*	First Joinder to the 7.875% Senior Secured Notes due 2019 Registration Rights Agreement, dated September 8, 2011, among certain additional note guarantors listed thereto
4.12.7.*	Second Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated September 8, 2011, among certain additional note guarantors listed thereto
4.12.8.*	Registration Rights Agreement to the 9.875% Senior Notes due 2019, dated as of August 9, 2011
4.12.9.*	First Joinder to the 9.875% Senior Notes due 2019 Registration Rights Agreement, dated September 8, 2011, among certain additional note guarantors listed thereto
4.12.10.*	Second Joinder to the 9.875% Senior Notes due 2019 Registration Rights Agreement, dated September 8, 2011, among certain additional note guarantors listed thereto
4.12.11.*	Third Joinder to the 9.875% Senior Notes due 2019 Registration Rights Agreement, dated October 14, 2011, among certain additional note guarantors listed thereto
4.12.12.*	Third Joinder to the 6.875% Senior Secured Notes due 2021 Registration Rights Agreement, dated October 14, 2011, among certain additional note guarantors listed thereto
4.12.13.*	Registration Rights Agreement to the 9.875% Senior Notes (issued February 15, 2012) due 2019, dated as of February 15, 2012, among Reynolds Group Issuer Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer (Luxembourg) S.A., the Closing Date Guarantors and Credit Suisse Securities (USA) LLC
4.12.14.*	Joinder to the 9.875% Senior Notes (issued February 15, 2012) due 2019 Registration Rights Agreement, dated as of March 15, 2012, among certain additional note guarantors listed thereto
4.13.*	Collateral Agreement, dated as of November 5, 2009, among Reynolds Consumer Products Holdings Inc., Reynolds Group Holdings Inc., Closure Systems International Holdings Inc., Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., the grantors from time to time party thereto and The Bank Of New York Mellon, as collateral agent
4.13.1.	[Reserved]
4.13.2.*	Supplement No. 2 to the Collateral Agreement, dated as of February 2, 2010, between Closure Systems International Americas, Inc. and The Bank of New York Mellon, as collateral agent
4.13.3.*	Supplement No. 3 to the Collateral Agreement, dated as of May 4, 2010, between Evergreen Packaging Inc. and The Bank of New York Mellon, as collateral agent
4.13.4.*	Supplement No. 4 to the Collateral Agreement, dated as of May 4, 2010, between Evergreen Packaging USA Inc. and The Bank of New York Mellon, as collateral agent
4.13.5.*	Supplement No. 5 to the Collateral Agreement, dated as of May 4, 2010, between Evergreen Packaging International (US) Inc. and The Bank of New York Mellon, as collateral agent
4.13.6.*	Supplement No. 6 to the Collateral Agreement, dated as of May 4, 2010, between Blue Ridge Holding Corp. and The Bank of New York Mellon, as collateral agent
4.13.7.*	Supplement No. 7 to the Collateral Agreement, dated as of May 4, 2010, between Blue Ridge Paper Products Inc. and The Bank of New York Mellon, as collateral agent
4.13.8.*	Supplement No. 8 to the Collateral Agreement, dated as of May 4, 2010, between by BRPP LLC and The Bank of New York Mellon, as collateral agent
4.13.9.*	Supplement No. 9 to the Collateral Agreement dated as of September 1, 2010, between Reynolds Packaging Inc. (now known as Reynolds Packaging Holdings LLC) and The Bank of New York Mellon, as collateral agent
4.13.10.*	Supplement No. 10 to the Collateral Agreement, dated as of September 1, 2010, between Reynolds Flexible Packaging Inc. and The Bank of New York Mellon, as collateral agent
4.13.11.*	Supplement No. 11 to the Collateral Agreement, dated as of September 1, 2010, between Reynolds Food Packaging LLC and The Bank of New York Mellon, as collateral agent
4.13.12.*	

	Supplement No. 12 to the Collateral Agreement, dated as of September 1, 2010, between Reynolds Packaging Kama Inc. and The Bank of New York Mellon, as collateral agent
4.13.13.*	Supplement No. 13 to the Collateral Agreement, dated as of November 5, 2009, between Reynolds Packaging LLC and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.

Exhibit Number	Exhibit Description
4.13.14.*	Supplement No. 14 to the Collateral Agreement, dated as of September 1, 2010, between Ultra Pac, Inc. and The Bank of New York Mellon, as collateral agent
4.13.15.*	Supplement No. 16 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv Corporation (now known as Pactiv LLC) and The Bank of New York Mellon, as collateral agent
4.13.16.*	Supplement No. 17 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv Factoring LLC and The Bank of New York Mellon, as collateral agent
4.13.17.*	Supplement No. 18 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv RSA LLC and The Bank of New York Mellon, as collateral agent
4.13.18.*	Supplement No. 19 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv Retirement Administration LLC and The Bank of New York Mellon, as collateral agent
4.13.19.*	Supplement No. 20 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv Germany Holdings Inc. and The Bank of New York Mellon, as collateral agent
4.13.20.*	Supplement No. 21 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv International Holdings Inc. and The Bank of New York Mellon, as collateral agent
4.13.21.*	Supplement No. 22 to the Collateral Agreement, dated as of November 16, 2010, between Pactiv Management Company LLC and The Bank of New York Mellon, as collateral agent
4.13.22.*	Supplement No. 23 to the Collateral Agreement, dated as of November 16, 2010, between PCA West Inc. and The Bank of New York Mellon, as collateral agent
4.13.23.*	Supplement No. 24 to the Collateral Agreement, dated as of November 16, 2010, between Prairie Packaging, Inc. and The Bank of New York Mellon, as collateral agent
4.13.24.	[Reserved]
4.13.25.*	Supplement No. 26 to the Collateral Agreement, dated as of November 16, 2010, between PWP Industries, Inc. and The Bank of New York Mellon, as collateral agent
4.13.26.*	Supplement No. 27 to the Collateral Agreement, dated as of November 16, 2010, between Newspring Industrial Corp. and The Bank of New York Mellon, as collateral agent
4.13.27.*	Supplement No. 28 to the Collateral Agreement, dated as of May 2, 2011, between Dopaco, Inc. and The Bank of New York Mellon
4.13.28.*	Supplement No. 29 to the Collateral Agreement, dated as of August 19, 2011, between Bucephalas Acquisition Corp. and The Bank of New York Mellon
4.13.29.*	Supplement No. 30 to the Collateral Agreement, dated as of September 8, 2011, between Graham Packaging Company Inc. and The Bank of New York Mellon
4.13.30.*	Supplement No. 31 to the Collateral Agreement, dated as of September 8, 2011, between GPC Holdings LLC and The Bank of New York Mellon
4.13.31.*	Supplement No. 32 to the Collateral Agreement, dated as of September 8, 2011, between BCP/Graham Holdings L.L.C. and The Bank of New York Mellon
4.13.32.*	Supplement No. 33 to the Collateral Agreement, dated as of October 14, 2011, between Reynolds Manufacturing, Inc. and The Bank of New York Mellon
4.13.33.*	Supplement No. 34 to the Collateral Agreement, dated as of October 14, 2011, between RenPac Holdings Inc. and The Bank of New York Mellon
4.13.34.*	Supplement No. 35 to the Collateral Agreement, dated as of March 20, 2012, between certain additional guarantors and The Bank of New York Mellon
4.14.*	First Lien Intercreditor Agreement, dated as of November 5, 2009, among The Bank of New York Mellon, as collateral agent, Credit Suisse, as representative under the Credit Agreement, The Bank of New York Mellon, as Representative under the Indenture, each grantor and each additional representative from time to time party thereto.
4.14.1.*	Amendment No. 1 and Joinder to the First Lien Intercreditor Agreement, dated January 21, 2010

II-158

Table of Contents

Exhibit Number	Exhibit Description
4.14.2.*	Joinder to the First Lien Intercreditor Agreement, dated as of November 16, 2010, among The Bank of New York Mellon and Wilmington Trust (London) Limited, as collateral agents for the Secured Parties, Credit Suisse AG, as Representative for the Credit Agreement Secured Parties, The Bank of New York Mellon, as Representative for the Indenture Secured Parties, each Grantor party thereto and each additional Representative from time to time party thereto for the Additional Secured Parties of the Series with respect to which it is acting in such capacity
4.14.3.*	Joinder to the First Lien Intercreditor Agreement, dated as of February 1, 2011, among The Bank of New York Mellon and Wilmington Trust (London) Limited, as collateral agents for the Secured Parties, Credit Suisse AG, as Representative for the Credit Agreement Secured Parties, The Bank of New York Mellon, as Representative for the Indenture Secured Parties, The Bank of New York Mellon, as Representative under the Indenture dated October 15, 2010, The Bank of New York Mellon and Wilmington Trust (London) Limited, each Grantor party thereto and each additional Representative from time to time party thereto for the Additional Secured Parties of the Series with respect to which it is acting in such capacity.
4.14.4.*	Joinder to the First Lien Intercreditor Agreement, dated as of September 8, 2011 among The Bank of New York Mellon and Wilmington Trust (London) Limited, as collateral agents for the Secured Parties, Credit Suisse AG, as Representative for the Credit Agreement Secured Parties, The Bank of New York Mellon, as Representative for the Indenture Secured Parties, The Bank of New York Mellon, as Representative under the Indenture dated October 15, 2010, The Bank of New York Mellon, as Representative under the Indenture dated February 1, 2011, The Bank of New York Mellon and Wilmington Trust (London) Limited, each Grantor party thereto and each additional Representative from time to time party thereto for the Additional Secured Parties of the Series with respect to which it is acting in such capacity.
4.15.*	Amendment and Restatement Agreement, dated as of November 5, 2009, relating to an Intercreditor Agreement dated May 11, 2007, between, among others, Reynolds Group Holdings Limited (formerly Rank Group Holdings Limited), Beverage Packaging Holdings (Luxembourg) I S.A. (formerly Rank Holdings I S.A.), Beverage Packaging Holdings (Luxembourg) II S.A. (formerly Rank Holdings II S.A.), Credit Suisse AG, Cayman Islands Branch (formerly Credit Suisse Cayman Islands Branch) as administrative agent, Credit Suisse AG (formerly Credit Suisse) as senior issuing bank, The Bank of New York Mellon as collateral agent, senior secured notes trustee and high yield noteholders trustee and Credit Suisse AG (formerly Credit Suisse) as security trustee
4.15.1.*	Form of Accession Deed to the Interecreditor Agreement
4.15.2.*	Schedule to Form of Accession Deed to the Interecreditor Agreement
4.15.3.*	Amendment Agreement of November 5, 2010 relating to an Intercreditor Agreement dated May 11, 2007
4.15.4.*	Accession Agreement dated November 16, 2010 by The Bank of New York Mellon, as trustee for certain senior secured notes due 2019 to the Intercreditor Agreement, dated May 11, 2007 and made between, among others, Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Credit Suisse AG, as administrative agent, Credit Suisse AG, as senior issuing bank, The Bank of New York Mellon, as collateral agent, senior secured notes trustee and high yield noteholders trustee and Credit Suisse AG, as security trustee
4.15.5.*	Accession Agreement dated February 1, 2011 by The Bank of New York Mellon, as trustee for certain senior secured notes due 2021 to the Intercreditor Agreement, dated May 11, 2007 and made between, among others, Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Credit Suisse AG, as administrative agent, Credit Suisse AG, as senior

	issuing bank, The Bank of New York Mellon, as collateral agent, senior secured notes trustee and high yield noteholders trustee and Credit Suisse AG, as security trustee
4.15.6.*	Accession Agreement dated September 8, 2011 by The Bank of New York Mellon, as trustee for certain senior secured notes due 2019 to the Intercreditor Agreement, dated May 11, 2007 and made between, among others, Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Credit Suisse AG, as administrative agent, Credit Suisse AG, as senior issuing bank, The Bank of New York Mellon, as collateral agent, senior secured notes trustee and high yield noteholders trustee and Credit Suisse AG, as security trustee

Exhibit Number	Exhibit Description
4.15.7*	Accession Deed to the Intercreditor Agreement, dated March 20, 2012, by the subsidiaries of Reynolds Group Holdings Limited listed on Schedule I thereto, Credit Suisse AG, as security trustee, The Bank of New York Mellon, as collateral agent, and Credit Suisse AG, Cayman Islands Branch, as senior agent
4.16.*	Form of Global Certificate Representing the Dollar Denominated 7.75% Senior Secured Notes due 2016 (included in Exhibit 4.1 hereto)
4.17.*	Form of Global Certificate Representing the Euro Denominated 7.75% Senior Secured Notes due 2016 (included in Exhibit 4.1 hereto)
4.18.*	Form of 8.50% Senior Note due 2018 (included in Exhibit 4.2 hereto)
4.19.*	Form of 7.125% Senior Secured Note due 2019 (included in Exhibit 4.3 hereto)
4.20.*	Form of 9.000% Senior Note due 2019 (included in Exhibit 4.4 hereto)
4.21.*	Form of 6.875% Senior Secured Note due 2021 (included in Exhibit 4.5 hereto)
4.21.1.*	Form of 8.250% Senior Note due 2021 (included in Exhibit 4.6 hereto)
4.22.*	Form of 7.875% Senior Secured Note due 2019 (included in Exhibit 4.6.12 hereto)
4.22.1.*	Form of 9.875% Senior Note due 2019 (included in Exhibit 4.6.15 hereto)
4.23.*	Copyright Security Agreement, dated as of November 5, 2009, among the grantors listed thereto and The Bank of New York Mellon, as collateral agent.
4.24.*	Patent Security Agreement, dated as of November 5, 2009, among the grantors listed thereto and The Bank of New York Mellon, as collateral agent.
4.25.*	Trademark Security Agreement, dated as of November 5, 2009, among the grantors listed thereto and The Bank of New York Mellon, as collateral agent.
4.26.*	Share Pledge Agreement Relating to the Shares in Closure Systems International Deutschland GmbH, dated as of November 5, 2009, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent
4.27.*	Global Assignment Agreement, dated as of November 5, 2009, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent
4.28.*	Account Pledge Agreement, dated as of November 5, 2009, between Closure Systems International Deutschland Real Estate GmbH & Co KG and The Bank of New York Mellon as collateral agent
4.29.*	Security Transfer Agreement, dated as of November 5, 2009, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent
4.30.*	Global Assignment Agreement, dated as of November 5, 2009, between Closure Systems International Deutschland Real Estate GmbH & Co KG and The Bank of New York Mellon as collateral agent
4.31.*	Account Pledge Agreement, dated as of November 5, 2009, between Closure Systems International Deutschland Real Estate GmbH & Co KG and The Bank of New York Mellon as collateral agent
4.32.*	Security Purpose Agreement relating to Land Charges, dated as of November 5, 2009, between Closure Systems International Deutschland Real Estate GmbH & Co KG and The Bank of New York Mellon as collateral agent
4.33.*	Share Pledge Agreement Relating to the Shares in Closure Systems International Holdings (Germany) GmbH, dated as of November 5, 2009, between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.34.*	Account Pledge Agreement, dated as of November 5, 2009, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent
4.35.*	

Global Assignment Agreement, dated as of November 5, 2009, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent

II-160

Table of Contents

Exhibit Number	Exhibit Description
4.36.*	Share Pledge Agreement Relating to the Shares in SIG Beverages Germany GmbH, SIG International Services GmbH, SIG Information Technology GmbH, SIG Combibloc GmbH and SIG Combibloc Holdings GmbH, dated as of November 5, 2009, between SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon as collateral agent
4.37.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent
4.38.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent
4.39.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Holding GmbH, dated as of November 5, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.40.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.41.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.42.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Systems GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and SIG Combibloc GmbH, dated as of November 5, 2009, between SIG Combibloc Holding GmbH, SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon as collateral agent
4.43.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent
4.44.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent
4.45.*	Security Transfer Agreement, dated as of November 5, 2009, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent
4.46.*	Security Transfer Agreement And Assignment Agreement Regarding Intellectual Property Rights, dated as of November 5, 2009, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent
4.47.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.48.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.49.*	Security Transfer Agreement, dated as of November 5, 2009, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.50.*	Security Transfer Agreement And Assignment Agreement Regarding Intellectual Property Rights, dated as of November 5, 2009, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.51.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Zerspanungstechnik GmbH, dated as of November 5, 2009, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.52.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent
4.53.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent
4.54.*	Security Transfer Agreement, dated as of November 5, 2009, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent

4.55.*	Pledge Agreement Relating to the Shares in SIG Euro Holding AG & Co. KGaA, dated as of November 5, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.56.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon as collateral agent

Exhibit Number	Exhibit Description
4.57.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon as collateral agent
4.58.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Information Technology GmbH and The Bank of New York Mellon as collateral agent
4.59.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Information Technology GmbH and The Bank of New York Mellon as collateral agent
4.60.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG International Services GmbH and The Bank of New York Mellon as collateral agent
4.61.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG International Services GmbH and The Bank of New York Mellon as collateral agent
4.62.*	Global Assignment Agreement, dated as of November 5, 2009, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and The Bank of New York Mellon as collateral agent
4.63.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and The Bank of New York Mellon as collateral agent
4.64.*	Pledge Over Bank Accounts, dated as of November 5, 2009, between Closure Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) and The Bank of New York Mellon as collateral agent
4.65.	[Reserved]
4.66.*	Pledge Over Bank Accounts, dated as of November 5, 2009, between Reynolds Consumer Products (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) and The Bank of New York Mellon as collateral agent
4.67.	[Reserved]
4.68.*	Specific Security Deed in respect of Reynolds Group Holdings Limited s shareholding in Beverage Packaging Holdings (Luxembourg) I S.A. (NZ Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.69.*	Second Ranking Specific Security Deed in respect of Reynolds Group Holdings Limited s shareholding in Beverage Packaging Holdings (Luxembourg) I S.A. (NZ Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.70.*	Third Ranking Specific Security Deed in respect of Reynolds Group Holdings Limited s shareholding in Beverage Packaging Holdings (Luxembourg) I S.A. (NZ Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.71.*	Pledge Over Shares Agreement in Beverage Packaging Holdings (Luxembourg) I S.A. (Luxembourg Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.72.*	Second Ranking Pledge Over Shares Agreement in Beverage Packaging Holdings (Luxembourg) I S.A. (Luxembourg Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.73.*	Third Ranking Pledge Over Shares Agreement in Beverage Packaging Holdings (Luxembourg) I S.A. (Luxembourg Law), dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.74.*	

	Pledge Over Receivables from Beverage Packaging Holdings (Luxembourg) III S.à r.l., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent
4.75.*	Luxembourg Pledge Agreement Profit Participating Bonds issued by Beverage Packaging Holdings (Luxembourg) III S.à r.l., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent

II-162

Exhibit Number	Exhibit Description
4.76.*	Pledge Over Bank Accounts, dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent
4.77.*	Pledge Over Receivables from Beverage Packaging Holdings (Luxembourg) I S.A., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) II S.A. and The Bank of New York Mellon as collateral agent
4.78.*	Second Ranking Pledge over Proceeds Loans from Beverage Packaging Holdings (Luxembourg) I S.A., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) II S.A. and The Bank of New York Mellon as collateral agent
4.79.*	Third Ranking Pledge over Proceeds Loans from Beverage Packaging Holdings (Luxembourg) I S.A., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) II S.A. and The Bank of New York Mellon as collateral agent, dated as of November 5, 2009
4.80.*	Pledge Over Shares Agreement in Beverage Packaging Holdings (Luxembourg) III S.à r.l., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent
4.81.*	Pledge over Bank Accounts, dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon as collateral agent
4.82.*	Pledge over Receivables from Beverage Packaging Holdings (Luxembourg) I S.A., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon as collateral agent
4.83.*	Pledge Over Shares Agreement in Reynolds Group Issuer (Luxembourg) S.A., dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent
4.84.*	Pledge Over Receivables (relating to Beverage Packaging Holdings (Luxembourg) III S.à r.l.), dated as of November 5, 2009, between Reynolds Group Issuer (Luxembourg) S.A. and The Bank of New York Mellon as collateral agent
4.85.*	Pledge over Bank Accounts, dated as of November 5, 2009, between Reynolds Group Issuer (Luxembourg) S.A. and The Bank of New York Mellon as collateral agent
4.86.*	Deed of Pledge of Registered Shares in Closure Systems International B.V., dated as of November 5, 2009, between Closure Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) and The Bank of New York Mellon as collateral agent
4.87.*	Disclosed Pledge of Bank Accounts, dated as of November 5, 2009, between Closure Systems International B.V., Reynolds Consumer Products (Luxembourg) S.à r.l (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) and The Bank of New York Mellon as collateral agent
4.88.*	Deed of Pledge of Registered Shares in Reynolds Consumer Products International B.V., dated as of November 5, 2009, between Reynolds Consumer Products (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) and The Bank of New York Mellon as collateral agent
4.89.*	General Security Deed, dated as of November 5, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent
4.90.*	Pledge of Registered Shares in SIG allCap AG, dated as of November 5, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.91.*	Assignment of Bank Accounts, dated as of November 5, 2009, between SIG allCap AG and The Bank of New York Mellon as collateral agent
4.92.*	

	Account Pledge Agreement, dated as of November 5, 2009, between SIG allCap AG and The Bank of New York Mellon as collateral agent
4.93.*	Receivables Assignment, dated as of November 5, 2009, between SIG allCap AG and The Bank of New York Mellon as collateral agent

Table of Contents

Exhibit Number	Exhibit Description
4.94.*	Pledge of Registered Shares in SIG Combibloc Group AG, dated as of November 5, 2009, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon as collateral agent
4.95.*	Assignment of Bank Accounts, dated as of November 5, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.96.*	Account Pledge Agreement, dated as of November 5, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.97.*	Receivables Assignment, dated as of November 5, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.98.*	Pledge of Registered Shares in SIG Combibloc (Schweiz) AG, dated as of November 5, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.99.*	Assignment of Bank Accounts, dated as of November 5, 2009, between SIG Combibloc (Schweiz) AG and The Bank of New York Mellon as collateral agent
4.100.*	Receivables Assignment, dated as of November 5, 2009, between SIG Combibloc (Schweiz) AG and The Bank of New York Mellon as collateral agent
4.101.*	Intellectual Property Rights Pledge, dated as of November 5, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.102.	[Reserved]
4.103.	[Reserved]
4.104.	[Reserved]
4.105.	[Reserved]
4.106.*	Pledge of Registered Shares in SIG Technology AG, dated as of November 5, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.107.*	Assignment of Bank Accounts, dated as of November 5, 2009, between SIG Technology AG and The Bank of New York Mellon as collateral agent
4.108.*	Receivables Assignment, dated as of November 5, 2009, between SIG Technology AG and The Bank of New York Mellon as collateral agent
4.109.*	Intellectual Property Rights Pledge, dated as of November 5, 2009, between SIG Technology AG and The Bank of New York Mellon as collateral agent
4.110.*	Security Over Shares Agreement in CSI Latin American Holdings Corporation, dated as of December 2, 2009, between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.111.*	Debenture, dated as of December 2, 2009, between CSI Latin American Holdings Corporation and The Bank of New York Mellon as collateral agent
4.112.	Canadian Pledge Agreement in shares of Closure Systems International (Canada) Limited (amalgamated into Pactiv Canada Inc.), dated as of December 2, 2009, between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.113.	Canadian General Security Agreement, dated as of December 2, 2009, between Closure Systems International (Canada) Limited (amalgamated into Pactiv Canada Inc.) and The Bank of New York Mellon as collateral agent
4.114.*	Blanket Security Over Shares Agreement in Closure Systems International Holdings (Japan) KK, dated as of December 2, 2009, between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.115.*	Pledge over Receivables Agreement (relating to Beverage Packaging Holdings (Luxembourg) I S.A.) (Luxembourg law), dated as of December 2, 2009, between Reynolds Group Holdings Limited and The Bank of New York Mellon as collateral agent

4.116.* Security Assignment of Contractual Rights Under a Specific Contract, dated as of December 2, 2009, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon as collateral agent

Table of Contents

Exhibit Number	Exhibit Description
4.117.*	Security Transfer and Assignment Agreement Regarding Intellectual Property Rights, dated as of December 2, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.118.*	Security Transfer and Assignment Agreement Regarding Intellectual Property Rights, dated as of December 2, 2009, between and SIG Technology AG The Bank of New York Mellon as collateral agent
4.119.*	Security Over Shares Agreement in Closure Systems International (UK) Limited, dated as of December 2, 2009, between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.120.*	Debenture, dated as of December 2, 2009, between Closure Systems International (UK) Limited and The Bank of New York Mellon as collateral agent
4.121.*	Security Over Shares Agreement in Reynolds Consumer Products (UK) Limited, dated as of December 2, 2009, between Reynolds Consumer Products International B.V. and The Bank of New York Mellon as collateral agent
4.122.*	Debenture, dated as of December 2, 2009, between Reynolds Consumer Products (UK) Limited and The Bank of New York Mellon as collateral agent
4.123.*	Debenture, dated as of December 2, 2009, between SIG Combibloc Limited and The Bank of New York Mellon as collateral agent
4.124.*	Security Over Shares Agreement in SIG Holdings (UK) Limited, dated as of December 2, 2009, between SIG Finanz AG and The Bank of New York Mellon as collateral agent
4.125.*	Debenture, dated as of December 2, 2009, between SIG Holdings (UK) Limited and The Bank of New York Mellon as collateral agent
4.126.*	Pledge Over Registered Shares of SIG Combibloc Procurement AG, dated as of December 2, 2009, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.127.*	Assignment of Bank Accounts, dated as of December 2, 2009, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent
4.128.*	Account Pledge Agreement, dated as of December 2, 2009, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent
4.129.*	Receivables Assignment, dated as of December 2, 2009, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent
4.130.*	Debenture, dated as of December 17, 2009, between Reynolds Subco (UK) Limited (f/k/a BACO Consumer Products Limited) and The Bank of New York Mellon as collateral agent
4.131.*	Pledge Agreement Over Inventory, Equipment and Other Assets, dated January 29, 2010, granted by Closure Systems International (Brazil) Sistemas de Vedação Ltda. in favour of The Bank of New York Mellon as collateral agent.
4.132.*	Pledge Agreement Over Receivables and Other Credit Rights, dated January 29, 2010, granted by Closure Systems International (Brazil) Sistemas de Vedação Ltda. in favour of The Bank of New York Mellon as collateral agent.
4.133.*	Accounts Pledge Agreement, dated January 29, 2010, granted by Closure Systems International (Brazil) Sistemas de Vedação Ltda. in favour of The Bank of New York Mellon as collateral agent.
4.134.*	Quota Pledge Agreement, dated January 29, 2010, granted by Closure Systems International Holdings, Inc. (*US*) and Closure Systems International B.V. (*Netherlands*) in favour of The Bank of New York Mellon as collateral agent and acknowledged by Closure Systems International (Brazil) Sistemas de Vedação Ltda.
4.135.*	

	Pledge of Quotas Agreement, dated January 29, 2010, entered into by Closure Systems International B.V. over its quotas in CSI Closure Systems Manufacturing de Centro America, S.R.L. in favour of Wilmington Trust (London) Limited as collateral agent.
4.136.*	Partnership Interest Pledge Agreement relating to the interests in SIG Euro Holding AG & Co KGaA, dated January 29, 2010, by SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG) in favour of The Bank of New York Mellon as collateral agent.

Exhibit Number	Exhibit Description
4.137.*	Security Interest Agreement Over Securities relating to SIG Asset Holdings Limited, dated January 29, 2010, granted by SIG Combibloc Group AG in favour of Wilmington Trust (London) Limited as collateral agent.
4.138.*	Security Interest Agreement Over Third Party Bank Account, dated January 29, 2010, by SIG Asset Holdings Limited in favour of Wilmington Trust (London) Limited as collateral agent.
4.139.*	Quota Charge Agreement in respect of its quota in CSI Hungary Gyártó és Kereskedelmi Kft, dated January 29, 2010, by Closure Systems International B.V. in favour of Wilmington Trust (London) Limited as collateral agent.
4.140.	[Reserved]
4.141.	[Reserved]
4.142.*	Agreement Constituting Framework Fixed Charge Over Moveable Assets, dated January 29, 2010, granted by CSI Hungary Gyártó és Kereskedelmi Kft in favour of Wilmington Trust (London) Limited as collateral agent.
4.143.*	Charge and Security Deposit Over Bank Account Agreement, dated January 29, 2010, granted by CSI Hungary Gyártó és Kereskedelmi Kft in favour of Wilmington Trust (London) Limited as collateral agent.
4.144.*	Security over Cash Agreement, dated January 29, 2010, given by CSI Hungary Gyártó és Kereskedelmi Kft in favour of Wilmington Trust (London) Limited as collateral agent.
4.145.*	Floating Lien Pledge Agreement, dated January 29, 2010, given by Bienes Industriales del Norte, S.A. de C.V., CSI Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Grupo CSI de Mexico, S. de R.L. de C.V. (*Mexico*) and Tecnicos de Tapas Innovativas S.A. de C.V. (*Mexico*) in favour of The Bank of New York Mellon as collateral agent.
4.146.*	Equity Interests Pledge Agreement, dated January 29, 2010, representing the capital stock of Bienes Industriales del Norte, S.A. de C.V., CSI Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Grupo CSI de Mexico, S. de R.L. de C.V. and Tecnicos de Tapas Innovativas S.A. de C.V., given by the parent companies of such companies in favour of The Bank of New York Mellon as collateral agent.
4.147.*	Pledge of Registered Shares of SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG), dated January 29, 2010, entered into by SIG Finanz AG in favour of The Bank of New York Mellon as collateral agent.
4.148.*	Receivables Assignment, dated January 29, 2010, given by SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG) in favour of The Bank of New York Mellon as collateral agent.
4.149.*	Share Pledge Agreement in respect of SIG Combibloc Ltd., dated January 29, 2010, by SIG Combibloc Holding GmbH (Germany) in favour of Wilmington Trust (London) Limited as collateral agent.
4.150.*	Conditional Assignment of Bank Accounts, dated January 29, 2010, granted by SIG Combibloc Ltd (*Thailand*) in favour of Wilmington Trust (London) Limited as collateral agent.
4.151.*	Conditional Assignment of Receivables Agreement, dated January 29, 2010, granted by SIG Combibloc Ltd. (*Thailand*) in favour of Wilmington Trust (London) Limited as collateral agent.
4.152.*	Account Pledge Agreement, dated February 3, 2010, and entered into by SIG Asset Holdings Limited in favour of The Bank of New York Mellon as collateral agent in respect of accounts held in Germany.
4.153.*	Security Over Shares Agreement relating to shares of SIG Combibloc Limited (HK), dated February 25, 2010, entered into by Closure Systems International B.V. in favour of Wilmington

	Trust (London) Limited as the collateral agent
4.154.*	Security Over Shares Agreement relating to shares of Closure Systems International (Hong Kong) Limited, dated February 25, 2010, entered into by SIG Finanz AG (Switzerland) in favour of Wilmington Trust (London) Limited as the collateral agent

Exhibit Number	Exhibit Description
4.155.*	Debenture, dated February 25, 2010, between Closure Systems International (Hong Kong) Limited and Wilmington Trust (London) Limited
4.156.*	Debenture between SIG Combibloc Limited and Wilmington Trust (London) Limited
4.157.*	Share Pledge Agreement over shares in SIG Austria Holding GmbH, dated March 4, 2010, between SIG Finanz AG and Wilmington Trust (London) Limited
4.158.*	Share Pledge Agreement over shares in SIG Combibloc GmbH (Austria), dated March 4, 2010, between SIG Finanz AG and Wilmington Trust (London) Limited
4.159.*	Interest Pledge Agreement, dated March 4, 2010, between SIG Combibloc GmbH (Austria) and Wilmington Trust (London) Limited
4.160.*	Interest Pledge Agreement, dated March 4, 2010, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited
4.161.*	Account Pledge Agreement, dated March 4, 2010, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited
4.162.*	Account Pledge Agreement, dated March 4, 2010, between SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited
4.163.*	Account Pledge Agreement, dated March 4, 2010, between SIG Combibloc GmbH (Austria) and Wilmington Trust (London) Limited
4.164.*	German Law Account Pledge Agreement, dated March 4, 2010, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited
4.165.*	German Law Account Pledge, dated March 4, 2010, between SIG Combibloc GmbH & Co. KG and Wilmington Trust (London) Limited
4.166.*	Confirmation and Amendment Agreement, dated March 4, 2010, between SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited
4.167.*	Charge and Security Deposit Over Bank Accounts Agreement, dated March 4, 2010 between SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited
4.168.*	Receivables Pledge Agreement, dated March 4, 2010, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited
4.169.*	Receivables Pledge Agreement, dated March 4, 2010, between SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited
4.170.*	Receivables Pledge Agreement, dated March 4, 2010 between SIG Combibloc GmbH (Austria) and Wilmington Trust (London) Limited
4.171.*	Pledge Agreement relating to the shares in SIG Euro Holding AG & Co. KGaA, dated March 4, 2010, between SIG Austria Holding GmbH and The Bank of New York Mellon
4.172.*	Pledge over receivables agreement dated February 23, 2010 and entered into between Beverage Packaging Holdings (Luxembourg) I SA as pledgor and the Collateral Agent in the presence of SIG Austria Holding GmbH and SIG Euro Holding AG & Co. KGaA, such pledge being granted over certain receivables held by Beverage Packaging Holdings (Luxembourg) I SA towards SIG Austria Holding GmbH and SIG Euro Holding AG & Co. KGaA under certain intercompany loan agreements
4.173.*	Patent Security Agreement, dated as of May 4, 2010, among the grantors listed thereto and The Bank of New York Mellon, as collateral agent.
4.174.*	Trademark Security Agreement, dated as of May 4, 2010, among the grantors listed thereto and The Bank of New York Mellon, as collateral agent.
4.175.*	Canadian General Security Agreement, dated as of December 2, 2009, entered into by Evergreen Packaging Canada Limited
4.176.*	

	Canadian Pledge Agreement, dated as of May 4, 2010, entered into by Evergreen Packaging International B.V.
4.177.*	Debenture, dated as of December 2, 2009, between Evergreen Packaging (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent

Exhibit Number	Exhibit Description
4.178.*	Security Over Shares Agreement in Evergreen Packaging (Hong Kong) Limited, dated as of May 4, 2010, between Evergreen Packaging International B.V. and Wilmington Trust (London) Limited as collateral agent
4.179.*	Pledge Over Shares Agreement in Evergreen Packaging (Luxembourg) S.à.r.l., dated as of May 4, 2010, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.180.*	Pledge Over Bank Account, dated as of May 4, 2010, between Evergreen Packaging (Luxembourg) S.à.r.l. and The Bank of New York Mellon
4.181.*	Pledge Over Receivables from SIG Combibloc Holding GmbH, dated as of May 4, 2010, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon
4.182.*	Floating Lien Pledge Agreement, dated May 4, 2010, by and between Evergreen Packaging Mexico, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent
4.183.*	Partnership Interest Pledge Agreement in Evergreen Packaging Mexico, S. de R.L. de C.V., dated May 4, 2010, between Evergreen Packaging International B.V. and The Bank of New York Mellon as collateral agent
4.184.*	Deed of Pledge of Registered Shares in Evergreen Packaging International B.V., dated as of May 4, 2010, between Evergreen Packaging (Luxembourg) S.à.r.l. and The Bank of New York Mellon as collateral agent
4.185.*	Disclosed Pledge of Bank Accounts, dated as of May 4, 2010, between Evergreen Packaging International B.V. and The Bank of New York Mellon as collateral agent
4.186.*	Amendment to the Quota Pledge Agreement, dated as of May 4, 2010, granted by Closure Systems International B.V. and Closure Systems International Holdings Inc. in favor of The Bank of New York Mellon as collateral agent and acknowledged by Closure Systems International (Brazil) Sistemas de Vedação Ltda.
4.187.*	Amendment to the Pledge Agreement Over Receivables and Other Credit Rights, dated as of May 4, 2010, Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent
4.188.*	Amendment to Accounts Pledge Agreement, dated May 4, 2010, between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent
4.189.*	Amendment to Pledge Agreement over Inventory, Equipment and Other Assets, dated May 4, 2010, between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent
4.190.*	Amendment to the Accounts Pledge Agreement, dated May 4, 2010, between SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent
4.191.*	Amendment to the Pledge Agreement Over Receivables and Other Credit Rights, dated as of May 4, 2010, SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent
4.192.*	Amendment to the Quota Pledge Agreement, dated as of May 4, 2010, granted by SIG Euro Holding AG & Co. KGaA and SIG Beverages Germany GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Beverages Brasil Ltda.
4.193.*	Amendment to the Quota Pledge Agreement, dated as of August 27, 2010, granted by SIG Austria Holding GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda.
4.194.*	Confirmation and Amendment Agreement relating to non-notarial accessory security, dated as of May 4, 2010, between SIG Euro Holding AG & Co. KGaA, SIG Combibloc Systems GmbH, SIG

Combibloc Holding GmbH, Closure Systems International (Germany) GmbH, SIG Combibloc GmbH, SIG Beverages Germany GmbH, SIG International Services GmbH, SIG Information Technology GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), SIG Combibloc Zerspanungstechnik GmbH, Closure System Group AG, SIG Combibloc Group AG, SIG Finanz AG, SIG Schweizerische Industrie-Gesellschaft AG, SIG allCap AG, SIG Combibloc Procurement AG and SIG Reinag AG and The Bank of New York Mellon as collateral agent

II-168

Exhibit Number	Exhibit Description
4.195.*	Confirmation and Amendment Agreement relating to non-accessory security, dated as of May 4, 2010, between SIG Euro Holding AG & Co. KGaA, SIG Combibloc Systems GmbH, SIG Combibloc Holding GmbH, SIG Beverages Germany GmbH, SIG Combibloc Zerspanungstechnik GmbH, SIG International Services GmbH, Closure Systems International (Germany) GmbH, SIG Information Technology GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), Closure Systems International Holdings (Germany) GmbH, Closure Systems International Deutschland GmbH, SIG Finanz AG and SIG Technology AG and The Bank of New York Mellon as collateral agent
4.196.*	Confirmation and Amendment Agreement relating to notarial share pledges, dated May 4, 2010, between SIG Combibloc Group AG, SIG Euro Holding AG & Co. KGaA, SIG Combibloc Systems GmbH, SIG Combibloc Holding GmbH, Closure Systems International Holdings (Germany) GmbH and Closure Systems International B.V. and The Bank of New York Mellon as collateral agent
4.197.*	Confirmation and Amendment Agreement relating to a share pledge agreement over shares in SIG Euro Holding AG & Co KGaA, dated May 4, 2010, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent
4.198.*	Confirmation and Amendment Agreement relating to a German law account pledge, dated May 4, 2010, between SIG Asset Holdings Limited and The Bank of New York Mellon as collateral agent
4.199.	[Reserved]
4.200.*	Amendment Agreement Relating to a Floating Charge Agreement, dated May 4, 2010, between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent
4.201.*	Amendment Agreement Relating to a Fixed Charge Agreement, dated May 4, 2010, between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent
4.202.	[Reserved]
4.203.*	Amendment Agreement Relating to a Charge and Security Deposit Over Bank Accounts Agreement, dated May 4, 2010, between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent
4.204.	Amendment Agreement Relating to a Quota Charge Agreement over quota in Closure Systems International Holdings (Hungary) Kft. (succeeded by CSI Hungary Kft.), dated May 4, 2010, between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent
4.205.*	Amendment Agreement Relating to a Quota Charge Agreement over quota in CSI Hungary Manufacturing and Trading Limited Liability Company, dated May 4, 2010, between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent
4.206.*	Confirmation Agreement, dated May 4, 2010, between Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Beverage Packaging Holdings (Luxembourg) II S.A., Beverage Packaging Holdings (Luxembourg) III S.à.r.l., Reynolds Group Issuer (Luxembourg) S.A., SIG Finance (Luxembourg) S.à.r.l., Closure Systems International (Luxembourg) S.à.r.l., Reynolds Consumer Products (Luxembourg) S.à.r.l. and SIG Asset Holdings Limited and The Bank of New York Mellon as collateral agent
4.207.*	Acknowledgement Agreement to an equity interests pledge agreement, dated May 4, 2010, between Grupo CSI de Mexico, S. de R.L. de C.V., Closure Systems Internacional B.V., CSI Mexico LLC, CSI en Saltillo S. de R.L. de C.V., Closure Systems Mexico Holdings LLC and The

	Bank of New York Mellon as collateral agent
4.208.*	Acknowledgement Agreement to a floating lien pledge agreement, dated May 4, 2010, between Bienes Industriales del Norte, S.A. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Grupo CSI de Mexico, S. de R.L. de C.V. and Tecnicos de Tapas Innovativas S.A. de C.V. in favour of The Bank of New York Mellon as collateral agent.

Exhibit Number	Exhibit Description
4.209.*	Acknowledgement Agreement to a irrevocable security trust agreement with reversion rights, dated May 4, 2010, between CSI en Saltillo, S. de R.L. de C.V. and he Bank of New York Mellon as collateral agent
4.210.*	Confirmation and Amendment Agreement, dated May 4, 2010, between Beverage Packaging Holdings (Luxembourg) III S.àr.l, SIG Combibloc Group AG, SIG Finanz AG, SIG allCap AG, SIG Combibloc (Schweiz) AG, SIG Schweizerische Industrie-Gesellschaft AG, SIG Technology AG, SIG Combibloc Procurement AG, SIG Reinag AG and The Bank of New York Mellon as collateral agent
4.211.*	Confirmation Letter, dated May 4, 2010, from SIG Combibloc Ltd. to Credit Suisse AG as administrative agent and Wilmington Trust (London) Limited as collateral agent
4.212.*	Quota Pledge Agreement, dated March 30, 2010, granted by SIG Euro Holding AG & Co. KGaA and SIG Beverages Germany GmbH in favour of The Bank of New York Mellon as collateral agent and acknowledged by SIG Beverages Brasil Ltda. (Brasil)
4.213.*	Quota Pledge Agreement, dated March 30, 2010, granted by SIG Austria Holding GmbH in favour of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda. (Brasil)
4.214.*	Pledge Agreement Over Receivables and Other Credit Rights, dated March 30, 2010, granted by SIG Combibloc do Brasil Ltda. (*Brasil*) in favour of The Bank of New York Mellon as collateral agent
4.215.*	Accounts Pledge Agreement, dated March 30, 2010, granted by SIG Combibloc do Brasil Ltda. (Brasil) in favour of The Bank of New York Mellon as collateral agent
4.216.*	Deed of Hypothec between Evergreen Packaging Canada Limited and The Bank of New York Mellon as fondé de pouvoir, dated June 28, 2010
4.217.*	Bond Pledge Agreement between Evergreen Packaging Canada Limited and The Bank of New York Mellon as collateral agent, dated June 28, 2010
4.218.*	Bond issued by Evergreen Packaging Canada Limited in favour of The Bank of New York Mellon as collateral agent
4.219.*	General Security Deed, dated as of May 28, 2010, between Whakatane Mill Limited and Wilmington Trust (London) Limited as collateral agent
4.220.*	Specific Security Deed in respect of the shares of Whakatane Mill Limited, dated as of May 28, 2010, SIG Combibloc Holding GmbH and Wilmington Trust (London) Limited as collateral agent
4.221.*	Security Over Shares Agreement granted by SIG Combibloc Holding GmbH, dated August 16, 2010
4.222.*	Confirmation Agreement to Austrian Law Security Documents, dated August 27, 2010, between SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co. KG and Wilmington Trust (London) Limited as collateral agent
4.223.*	Canadian General Security Agreement, dated as of September 1, 2010, between Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) and The Bank of New York Mellon as collateral agent.
4.224.*	Canadian Pledge Agreement relating to shares in Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.), dated as of September 1, 2010, between Reynolds Packaging International B.V. and The Bank of New York Mellon as collateral agent.
4.225.*	Deed of Hypothec granted by Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated September 1, 2010.

4.226.*	Bond Pledge Agreement granted by Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated September 1, 2010.
4.227.*	Bond issued by Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated September 1, 2010.

Table of Contents

Exhibit Number	Exhibit Description
4.228.*	Floating Lien Pledge Agreement, dated September 1, 2010, between Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.), Reynolds Metals Company de Mexico, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent.
4.229.*	Partnership Interests Pledge Agreement, dated September 1, 2010, between Reynolds Packaging International B.V., Closure Systems International B.V., Reynolds Metals Company de Mexico, S. de R.L. de C.V. and The Bank of New York Mellon, and acknowledged by Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.)
4.230.*	Disclosed Pledge of Bank Accounts, dated September 1, 2010, between Reynolds Packaging International B.V. and The Bank of New York Mellon
4.231.*	Deed of Pledge of Registered Shares, dated September 1, 2010, between Closure Systems International B.V., Reynolds Packaging International B.V. and The Bank of New York Mellon
4.232.*	Debenture between Ivex Holdings, Ltd. and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.
4.233.*	Debenture between Kama Europe Limited and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.
4.234.*	Security Over Shares Agreement relating to shares in Ivex Holdings, Ltd. between Reynolds Packaging International B.V. and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.
4.235.*	Trademark Security Agreement between Reynolds Packaging LLC, Reynolds Food Packaging LLC, Ultra Pac, Inc. and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.
4.236.*	Patent Security Agreement between Reynolds Packaging LLC, Reynolds Food Packaging LLC, Ultra Pac, Inc. and The Bank of New York Mellon, as collateral agent, dated September 1, 2010.
4.237.*	Copyright Security Agreement dated as of November 16, 2010, among Pactiv Corporation (now known as Pactiv LLC), a Delaware corporation and The Bank of New York Mellon, as collateral agent
4.238.*	Patent Security Agreement dated as of November 16, 2010 among the grantors listed on thereto and The Bank of New York Mellon
4.239.*	Trademark Security Agreement dated as of November 16, 2010 among the grantors listed on thereto and The Bank of New York Mellon, as collateral agent
4.240.*	Canadian General Security Agreement granted by 798795 Ontario Limited (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.241.	[Reserved]
4.242.*	Canadian General Security Agreement granted by Newspring Canada Inc. (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.243.	[Reserved]
4.244.*	Canadian General Security Agreement, granted by Pactiv Canada Inc. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.245.	[Reserved]
4.246.*	Debenture, between J. & W. Baldwin (Holdings) Limited and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.247.*	Debenture, between Omni-Pac UK Limited and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.248.*	

Debenture, between The Baldwin Group Limited and of The Bank of New York Mellon as collateral agent, dated November 16, 2010

II-171

Exhibit Number	Exhibit Description
4.249.*	Second Amendment to Quota Pledge Agreement over quotas in Closure Systems International (Brazil) Sistemas de Vedação Ltda. between Closure Systems International B.V. and Closure Systems International Holdings Inc. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.250.*	Second Amendment to Pledge Agreement Over Receivables and Other Credit Rights between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.251.*	Second Amendment to Accounts Pledge Agreement between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.252.*	Second Amendment to Pledge Agreement Over Inventory, Equipment and Other Assets between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.253.*	Second Amendment to Accounts Pledge Agreement between SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.254.*	Second Amendment to Pledge Agreement Over Receivables and Other Credit Rights between SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.255.*	Second Amendment to Quota Pledge Agreement over quotas in SIG Beverages Brasil Ltda. between SIG Euro Holding AG & Co. KGaA and SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.256.*	Deed of Hypothec, between Evergreen Packaging Canada Limited and The Bank of New York Mellon as fondé de pouvoir, dated November 16, 2010
4.257.*	Bond Pledge Agreement, between Evergreen Packaging Canada Limited and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.258.*	Bond, issued by Evergreen Packaging Canada Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.259.*	Deed of Hypothec, between Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) and The Bank of New York Mellon as fondé de pouvoir, dated November 16, 2010
4.260.*	Bond Pledge Agreement, between Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.261.*	Bond, issued by Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.262.*	Confirmation and Amendment Agreement relating to non-accessory security between SIG Euro Holding AG & Co. KGaA, SIG Combibloc Systems GmbH, SIG Combibloc Holding GmbH, SIG Combibloc GmbH, SIG Beverages Germany GmbH, SIG Combibloc Zerspanungstechnik GmbH, SIG International Services GmbH, SIG Information Technology GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), Closure Systems International Holdings (Germany) GmbH, Closure Systems International Deutschland GmbH, SIG Combibloc Group AG and SIG Technology AG and The Bank of New York Mellon as collateral agent (global assignment agreements, security transfer agreements, IP assignment agreements and security purpose agreements), dated November 16, 2010
4.263.*	Share Pledge Agreements between SIG Combibloc Group AG, SIG Euro Holding AG & Co. KGaA, SIG Combibloc Systems GmbH, SIG Combibloc Holding GmbH, Closure Systems International Holdings (Germany) GmbH and Closure Systems International B.V. and The Bank

	of New York Mellon as collateral agent, dated November 16, 2010
4.264.*	Junior Share and Partnership Interest Pledge Agreement relating to shares and interests in SIG Euro Holding AG & Co. KGaA between SIG Combibloc Group AG and SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG) and The Bank of New York Mellon as collateral agent, dated November 16, 2010

Table of Contents

Exhibit Number	Exhibit Description
4.265.*	Account Pledge Agreement, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.266.*	Account Pledge Agreement, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.267.*	Account Pledge Agreement, between SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.268.*	Account Pledge Agreement, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010, dated November 16, 2010
4.269.*	Account Pledge Agreement, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.270.*	Account Pledge Agreement, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.271.*	Account Pledge Agreement, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.272.*	Account Pledge Agreement, SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.273.*	Account Pledge Agreement, between SIG Information Technology GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.274.*	Account Pledge Agreement, between SIG International Services GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.275.*	Account Pledge Agreement, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.276.*	Account Pledge Agreement, between SIG Asset Holdings Limited and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.277.*	Account Pledge Agreement, between SIG allCap AG and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.278.*	Account Pledge Agreement, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.279.*	Account Pledge Agreement, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.280.	[Reserved]
4.281.*	Deed of Confirmation and Amendment relating to a debenture between Closure Systems International (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.282.*	Deed of Confirmation and Amendment relating to a share charge over shares in Closure Systems International (Hong Kong) Limited between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.283.*	Deed of Confirmation and Amendment relating to a debenture between Evergreen Packaging (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.284.*	Deed of Confirmation and Amendment relating to a share charge over shares in Evergreen Packaging (Hong Kong) Limited between Evergreen Packaging B.V. and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.285.*	Deed of Confirmation and Amendment relating to a debenture between SIG Combibloc Limited and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010

4.286.*	Deed of Confirmation and Amendment relating to a share charge over shares in SIG Combibloc Limited between SIG Combibloc Group AG and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.287.	[Reserved]

Exhibit Number	Exhibit Description
4.288.*	Amendment Agreement No. 2 relating to a floating charge agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent
4.289.*	Amendment Agreement No. 2 relating to a fixed charge agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.290.	[Reserved]
4.291.*	Amendment Agreement No. 2 relating to a charge and security deposit over bank accounts agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.292.*	Amendment Agreement No. 2 relating to a quota charge agreement over quotas in Closure Systems International Holdings (Hungary) Kft. (succeeded by CSI Hungary Kft.) between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent
4.293.*	Amendment Agreement No. 2 relating to a quota charge agreement over quotas in CSI Hungary Manufacturing and Trading Limited Liability Company between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.294.*	Confirmation Agreement between Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Beverage Packaging Holdings (Luxembourg) II S.A., Beverage Packaging Holdings (Luxembourg) III S. à r.l., SIG Finance (Luxembourg) S. à r.l., Reynolds Group Issuer (Luxembourg) S.A., Closure Systems International (Luxembourg) S. à r.l., Reynolds Consumer Products (Luxembourg) S. à r.l,. Evergreen Packaging (Luxembourg) S. à r.l., SIG Asset Holdings Limited and SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.295.*	Acknowledgement Agreement in respect of the equity/partnership interests pledge agreements between Grupo CSI de México, S. de R.L. de C.V., Closure Systems International B.V., CSI Mexico LLC, CSI en Saltillo, S. de R.L. de C.V., Closure Systems Mexico Holdings LLC, Evergreen Packaging International B.V., Reynolds Packaging International B.V. and Reynolds Metals Company de México, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.296.*	Acknowledgement Agreement in respect of the floating lien pledge agreements between Bienes Industriales del Norte, S.A. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Grupo CSI de Mexico, S. de R.L. de C.V., Tecnicos de Tapas Innovativas S.A. de C.V., Evergreen Packaging México, S. de R.L. de C.V., Reynolds Metals Company de Mexico, S. de R.L. de C.V. and Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) and The Bank of New York Mellon as collateral agent (Spanish and English versions), dated November 16, 2010
4.297.*	Acknowledgement Agreement in respect of a security trust agreement between CSI en Saltillo, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent (Spanish and English versions), dated November 16, 2010
4.298.*	Confirmation and Amendment Agreement between Beverage Packaging Holdings (Luxembourg) III S. à r.l., SIG Combibloc Group AG, SIG allCap AG, SIG Combibloc (Schweiz) AG, SIG Schweizerische Industrie-Gesellschaft AG, SIG Technology AG, SIG Combibloc Procurement AG and SIG Reinag AG and The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.299.*	Confirmation Letter from SIG Combibloc Ltd. to Credit Suisse AG as administrative agent and Wilmington Trust (London) Limited as collateral agent, and acknowledged by Wilmington Trust

	(London) Limited, dated November 16, 2010
4.300.*	Deed of Confirmation and Amendment relating to a debenture granted by Closure Systems International (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010

Exhibit Number	Exhibit Description
4.301.*	Deed of Confirmation and Amendment relating to a pledge of shares in Closure Systems International (UK) Limited granted by Closure Systems International B.V. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.302.*	Deed of Confirmation and Amendment relating to a debenture granted by Ivex Holdings, Ltd. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.303.*	Deed of Confirmation and Amendment relating to a pledge of shares in Ivex Holdings, Ltd. granted by Reynolds Packaging International B.V. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.304.*	Deed of Confirmation and Amendment relating to a debenture granted by Kama Europe Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.305.*	Deed of Confirmation and Amendment relating to a debenture granted by Reynolds Consumer Products (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.306.*	Deed of Confirmation and Amendment relating to a pledge of shares in Reynolds Consumer Products (UK) Limited granted by Reynolds Consumer Products International B.V. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.307.*	Deed of Confirmation and Amendment relating to a debenture granted by Reynolds Subco (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.308.*	Deed of Confirmation and Amendment relating to a debenture granted by SIG Combibloc Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.309.*	Deed of Confirmation and Amendment relating to a pledge of shares in SIG Combibloc Limited granted by SIG Combibloc Holding GmbH in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.310.*	Deed of Confirmation and Amendment relating to a debenture granted by SIG Holdings (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.311.*	Deed of Confirmation and Amendment relating to a pledge of shares in SIG Holdings (UK) Limited granted by SIG Combibloc Group AG in favour of The Bank of New York Mellon as collateral agent
4.312.*	Deed of Confirmation and Amendment in respect of a security over cash agreement granted by CSI Hungary Kft. in favour of Wilmington Trust (London) Limited as collateral agent, dated November 16, 2010
4.313.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Beverage Packaging Holdings (Luxembourg) I S.A. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.314.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Beverage Packaging Holdings (Luxembourg) III S.à r.l. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.315.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Closure Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.316.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Reynolds Consumer Products (Luxembourg) S.à r.l.

	(succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.) in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.317.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Closure Systems International B.V. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010
4.318.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Reynolds Consumer Products International B.V. in favour of The Bank of New York Mellon as collateral agent, dated November 16, 2010

Exhibit Number	Exhibit Description
4.319.*	Second Amendment to Quota Pledge Agreement, dated as of January 14, 2011, granted by SIG Austria Holding GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda.
4.320.*	Confirmation Agreement, dated January 14, 2011, among SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.321.*	Account Pledge Agreement, dated January 14, 2011, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.322.*	Account Pledge Agreement, dated January 14, 2011, between SIG Combibloc GmbH & Co. KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.323.*	Pledge Agreement relating to shares in SIG Euro Holding AG & Co. KG aA, dated January 14, 2011, among SIG Austria Holding GmbH, SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon.
4.324.*	Amendment Agreement No. 2 relating to a Charge and Security Deposit Over Bank Accounts Agreement between Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent, dated January 14, 2011.
4.325.*	Confirmation and Amendment Agreement dated January 14, 2011, among Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.326.*	Account Pledge Agreement between SIG Asset Holdings Limited and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.327.*	Deed of Confirmation and Amendment in respect of a debenture between Closure Systems International (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.328.*	Deed of Confirmation and Amendment in respect of a debenture between SIG Combibloc Limited (Hong Kong) and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.329.*	Deed of Confirmation and Amendment in respect of a debenture between Evergreen Packaging (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.330.	[Reserved]
4.331.	[Reserved]
4.332.*	Amendment Agreement relating to a Floating Charge Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.333.*	Amendment Agreement relating to a Charge and Security Deposit Over Bank Accounts Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.334.*	Amendment Agreement relating to a Fixed Charge Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.335.*	Deed of Confirmation and Amendment in respect of a security over cash agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.336.*	Confirmation Agreement between Reynolds Group Holdings Limited, Beverage Packaging Holdings (Luxembourg) I S.à r.l., Beverage Packaging Holdings (Luxembourg) II S.à r.l., Beverage Packaging Holdings (Luxembourg) III S.à r.l., Reynolds Group Issuer (Luxembourg)

	S.A., Evergreen Packaging (Luxembourg) S.à r.l., and The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.337.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract between Beverage Packaging Holdings (Luxembourg) I S.A. and The Bank of New York Mellon as collateral agent, dated February 1, 2011.

Table of Contents

Exhibit Number	Exhibit Description
4.338.*	Confirmation and Amendment Agreement between SIG Combibloc Group AG, Beverage Packaging Holdings (Luxembourg) III S.à.r.l. and The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.339.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract (relating to loans to SIG Euro and CSI B.V.) between Beverage Packaging Holdings (Luxembourg) III S.à.r.l. and The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.340.*	Deed of Release in respect of an English law security assignment of contractual rights under a specific contract made by Closure Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à.r.l.) by The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.341.*	Deed of Release in respect of an English law security assignment of contractual rights under a specific contract made by Reynolds Consumer Products (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à.r.l.) by The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.342.*	Security Assignment of Contractual Rights Under a Specific Contract, between Beverage Packaging Holdings (Luxembourg) III S.à.r.l. and The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.343.*	Acknowledgement Agreement in respect of an Equity Interests Pledge Agreement and Partnership Interests Pledge Agreement among Closure Systems International B.V., Evergreen Packaging International B.V., Reynolds Packaging International B.V., CSI Mexico LLC, Closure Systems Mexico Holdings LLC and The Bank of New York Mellon, dated February 1, 2011.
4.344.*	Acknowledgement Agreement in respect of the Floating Lien Pledge Agreements among Grupo CSI de México, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Bienes Industriales del Norte, S.A. de C.V., Técnicos de Tapas Innovativas, S.A. de C.V., Evergreen Packaging México, S. de R.L. de C.V., Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) and Reynolds Metals Company de México, S. de R.L. de C.V. and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.345.*	Acknowledgement Agreement in respect of a Security Trust Agreement between CSI en Saltillo, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent, dated February 1, 2011.
4.346.*	Deed of Confirmation and Amendment in respect of a share pledge over Closure Systems International (Hong Kong) Limited between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.347.*	Amendment Agreement in respect of a Quota Charge Agreement of Closure Systems International Holdings (Hungary) Kft. (succeeded by CSI Hungary Kft.) among Closure Systems International B.V., CSI Holdings Hungary Kft. and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011.
4.348.*	Amendment Agreement in respect of a Quota Charge Agreement of CSI Hungary Manufacturing and Trading Limited Liability Company among Closure Systems International B.V., CSI Holdings Hungary Kft. and Wilmington Trust (London) Limited as collateral agent, dated February 1, 2011
4.349.*	Deed of Confirmation and Amendment in respect of a share pledge over Closure Systems International (UK) Limited between Closure Systems International B.V. and The Bank of New York Mellon, as collateral agent dated February 1, 2011

4.350.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract (GLA) between Closure Systems International B.V. and The Bank of New York Mellon, as collateral agent dated February 1, 2011
4.351.*	Deed of Confirmation and Amendment in respect of a share pledge over Evergreen Packaging (Hong Kong) Limited between Evergreen Packaging International B.V. and Wilmington Trust (London) Limited, as collateral agent dated February 1, 2011

Exhibit Number	Exhibit Description
4.352.*	Deed of Confirmation and Amendment in respect of a share pledge over Ivex Holdings, Ltd. between Reynolds Packaging International B.V. and The Bank of New York Mellon, as collateral agent dated February 1, 2011
4.353.*	Deed of Confirmation and Amendment in respect of a share pledge over Reynolds Consumer Products (UK) Limited between Reynolds Consumer Packaging International B.V. and The Bank of New York Mellon, as collateral agent dated February 1, 2011
4.354.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract (GLA) between Reynolds Consumer Products International B.V. and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.355.*	Account Pledge Agreement between SIG Combibloc Group AG and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.356.*	Confirmation and Amendment Agreement relating to non-accessory security between SIG Combibloc Group AG and The Bank of New York Mellon, dated
4.357.*	Deed of Confirmation and Amendment in respect of a share pledge over SIG Combibloc Limited (HK) between SIG Combibloc Group AG and Wilmington Trust (London) Limited, dated
4.358.*	Deed of Confirmation and Amendment in respect of a share pledge over SIG Holdings (UK) Limited between SIG Combibloc Group AG and The Bank of New York Mellon, dated
4.359.*	Deed of Confirmation and Amendment in respect of a debenture between Closure Systems International (UK) Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.360.*	Deed of Confirmation and Amendment in respect of a debenture between Reynolds Consumer Products (UK) Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.361.*	Deed of Confirmation and Amendment in respect of a debenture between Reynolds Subco (UK) Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.362.*	Deed of Confirmation and Amendment in respect of a debenture between SIG Combibloc Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.363.*	Deed of Confirmation and Amendment in respect of a debenture between SIG Holdings (UK) Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.364.*	Deed of Confirmation and Amendment in respect of a debenture Kama Europe Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.365.*	Deed of Confirmation and Amendment in respect of a debenture between Ivex Holdings, Ltd. Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.366.*	Deed of Confirmation and Amendment in respect of a debenture between J. & W. Baldwin (Holdings) Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.367.*	Deed of Confirmation and Amendment in respect of a debenture between The Baldwin Group Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.368.*	Deed of Confirmation and Amendment in respect of a debenture between Omni-Pac U.K. Limited and The Bank of New York Mellon, as collateral agent, dated February 1, 2011.
4.369.*	Account Pledge Agreement between SIG Combibloc Group AG and The Bank of New York Mellon, dated February 9, 2011
4.370.*	Account Pledge Agreement between SIG Asset Holdings Limited and Wilmington Trust (London) Limited, dated February 9, 2011
4.371.*	Confirmation and Amendment Agreement relating to a non-accessory security (in respect of IP assignments, security transfer agreements, global assignment agreements and Security Purpose

	Agreements) between SIG Combibloc Group AG and The Bank of New York Mellon, as collateral agent, dated February 9, 2011
4.372.	[Reserved]
4.373.	[Reserved]

Exhibit Number	Exhibit Description
4.374.*	Amendment Agreement relating to a Floating Charge Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 9, 2011.
4.375.*	Amendment Agreement relating to a Charge and Security Deposit Over Bank Accounts Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 9, 2011.
4.376.*	Amendment Agreement relating to a Fixed Charge Agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated February 9, 2011.
4.377.*	Amendment Agreement in respect of a Quota Charge Agreement of Closure Systems International Holdings (Hungary) Kft. (succeeded by CSI Hungary Kft.) among Closure Systems International B.V., CSI Holdings Hungary Kft. and Wilmington Trust (London) Limited as collateral agent, dated February 9, 2011.
4.378.*	Amendment Agreement in respect of a Quota Charge Agreement of CSI Hungary Manufacturing and Trading Limited Liability Company among Closure Systems International B.V., CSI Holdings Hungary Kft. and Wilmington Trust (London) Limited as collateral agent, dated February 9, 2011
4.379.*	Confirmation Agreement, dated February 9, 2011, among Reynolds Group Holding Limited, Beverage Packaging Holdings (Luxembourg) I S.A., Beverage Packaging Holdings (Luxembourg) II S.A., Beverage Packaging Holdings (Luxembourg) III S.A., Reynolds Group Issuer (Luxembourg) S.A., Evergreen Packaging (Luxembourg) S.àr.l. and The Bank of New York Mellon, as collateral agent.
4.380.*	Acknowledgement of Floating Lien Pledge Agreement among Grupo CSI de México, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Bienes Industriales del Norte, S.A. de C.V., Técnicos de Tapas Innovativas, S.A. de C.V., Evergreen Packaging México, S. de R.L. de C.V., Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) and Reynolds Metals Company de México, S. de R.L. de C.V. and The Bank of New York Mellon, as collateral agent, dated February 9, 2011.
4.381.*	Acknowledgement of Security Trust Agreement by CSI en Saltillo and The Bank of New York Mellon, as collateral agent, dated February 9, 2011.
4.382.*	Acknowledgement of Equity and Partnership Interests Pledge Agreements over Evergreen Packaging Mexico, Reynolds Metals and Maxpack (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) among Closure Systems International B.V., Evergreen Packaging International B.V., CSI Mexico LLC, Closure Systems Mexico Holdings LLC and The Bank of New York Mellon, dated February 9, 2011.
4.383.*	Confirmation and Amendment Agreement among SIG Combibloc Group AG, Beverage Packaging Holdings (Luxembourg) III S.à.r.l. and The Bank of New York Mellon, as collateral agent, dated February 9, 2011.
4.384.*	Confirmation Letter, dated February 9, 2011, by SIG Combibloc Ltd. to Credit Suisse AG, as administrative agent and Wilmington Trust (London) Limited, as collateral agent.
4.385.*	Third Amendment to the Quota Pledge Agreement, dated as of March 2, 2011, granted by Closure Systems International B.V. and Closure Systems International Holdings Inc. in favor of The Bank of New York Mellon as collateral agent and acknowledged by Closure Systems International (Brazil) Sistemas de Vedação Ltda.
4.386.*	

	Fourth Amendment to the Pledge Agreement Over Receivables and Other Credit Rights between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011.
4.387.*	Third amendment to the Accounts Pledge Agreement between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011.
4.388.*	Third amendment to the Pledge Agreement Over Inventory, Equipment and Other Assets between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011

Table of Contents

Exhibit Number	Exhibit Description
4.389.*	Third amendment to the Accounts Pledge Agreement between SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011
4.390.*	Fourth Amendment to the Pledge Agreement Over Receivables and Other Credit Rights between SIG Combibloc do Brasil Ltda. and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011
4.391.*	Third Amendment to the Quota Pledge Agreement over quotas in SIG Beverages Brasil Ltda. between SIG Euro Holding AG & Co. KGaA and SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011
4.392.*	Third Amendment to Quota Pledge Agreement, dated as of March 2, 2011, granted by SIG Austria Holding GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda.
4.393.*	Account Pledge Agreement, dated as of March 2, 2011, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent
4.394.*	Account Pledge Agreement, dated as of March 2, 2011, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent
4.395.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon as collateral agent
4.396.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent
4.397.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent
4.398.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.399.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and The Bank of New York Mellon as collateral agent
4.400.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Information Technology GmbH and The Bank of New York Mellon as collateral agent
4.401.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG International Services GmbH and The Bank of New York Mellon as collateral agent
4.402.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent
4.403.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent
4.404.	[Reserved]
4.405.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG allCap AG and The Bank of New York Mellon as collateral agent
4.406.*	Account Pledge Agreement, dated as of March 2, 2011, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent
4.407.*	Junior Share and Partnership Interest Pledge Agreement relating to shares in SIG Euro Holding AG & Co. KG aA among SIG Combibloc Group AG, SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG) and The Bank of New York Mellon as collateral agent, dated as of March 2, 2011, and acknowledged by SIG Euro Holding AG & Co. KGaA.
4.408.*	Share Pledge Agreement Relating to the Shares in Closure Systems International Deutschland GmbH between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent and pledgee.

4.409.*	Share Pledge Agreement Relating to the Shares in Closure Systems International Holdings (Germany) GmbH between Closure Systems International B.V. and The Bank of New York Mellon as collateral agent and pledgee
4.410.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Holding GmbH between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent and pledgee

Exhibit Number	Exhibit Description
4.411.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Systems GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and SIG Combibloc GmbH between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent and pledge
4.412.*	Share Pledge Agreement Relating to the Shares in SIG Combibloc Zerspanungstechnik GmbH between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent and pledgee
4.413.*	Share Pledge Agreement Relating to the Shares in SIG Beverages Germany GmbH, SIG International Services GmbH, SIG Information Technology GmbH, SIG Combibloc GmbH and SIG Combibloc Holdings GmbH between SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon as collateral agent and pledgee
4.414.*	Confirmation and Amendment Agreement relating to non-accessory security, dated as of March 2, 2011, between Closure Systems International Deutschland GmbH, Closure Systems International Holdings (Germany) GmbH, SIG Beverages Germany GmbH, SIG Combibloc GmbH, SIG Combibloc Holding GmbH, SIG Combibloc Systems GmbH, SIG Combibloc Zerspanungstechnik GmbH, SIG Euro Holding AG & Co. KgaA, SIG Information Technology GmbH, SIG International Services GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), SIG Technology AG and The Bank of New York Mellon as collateral agent
4.415.*	Confirmation and Amendment Agreement in respect of Luxembourg law security, dated as of March 2, 2011, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.416.*	Confirmation and Amendment Agreement relating to the Swiss law security documents, dated as of March 2, 2011, among SIG allCap AG, SIG Combibloc (Schweiz), SIG Combibloc Procurement AG, SIG Reinag AG, SIG Schweizerische Industrie-Gesellschaft AG, SIG Technology AG and The Bank of New York Mellon as collateral agent
4.417.*	Deed of Confirmation and Amendment Agreement in respect of the share pledge over SIG Combibloc Ltd., dated March 2, 2011, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent
4.418.*	Account Pledge Agreement, dated as of March 2, 2011, between Pactiv Hamburg Holdings GmbH and The Bank of New York Mellon as collateral agent
4.419.*	Account Pledge Agreement, dated as of March 2, 2011, between Pactiv Deutschland Holdinggesellschaft MBH and The Bank of New York Mellon as collateral agent
4.420.*	Account Pledge Agreement, dated as of March 2, 2011, between Omni-Pac Ekco GmbH Verpackungsmittel and The Bank of New York Mellon as collateral agent
4.421.*	Account Pledge Agreement, dated as of March 2, 2011, between Omni-Pac GmbH Verpackungsmittel and The Bank of New York Mellon as collateral agent
4.422.*	Share Pledge Agreement Relating to the Shares in Pactiv Hamburg Holdings GmbH, dated as of March 2, 2011, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent and pledgee
4.423.*	Share Pledge Agreement Relating to the Shares in Pactiv Deutschland Holdinggesellschaft MBH, dated as of March 2, 2011, among Pactiv Hamburg Holdings GmbH, Pactiv Corporation (now known as Pactiv LLC) and The Bank of New York Mellon as collateral agent and pledgee
4.424.*	Share Pledge Agreement Relating to the Shares in Omni-Pac Ekco GmbH Verpackungsmittel and Omni-Pac Gmbh, dated as of March 2, 2011, between Pactiv Deutschland Holdinggesellschaft MBH and The Bank of New York Mellon as collateral agent and pledgee
4.425.*	

	Account Pledge Agreement, dated as of March 2, 2011, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent and pledgee
4.426.*	Floating Lien Pledge Agreement, dated April 19, 2011, given by Central de Bolsas, S. de R.L. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V. and Pactiv Mexico, S. de R.L. de C.V. in favour of The Bank of New York Mellon as collateral agent.

Exhibit Number	Exhibit Description
4.427.*	Equity Interests Pledge Agreement, dated April 19, 2011, by Grupo CSI de México, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., Central de Bolsas, S. de R.L. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Pactiv Corporation (now known as Pactiv LLC) and Pactiv International Holdings Inc. .in favour of The Bank of New York Mellon as collateral agent.
4.428.	[Reserved]
4.429.	[Reserved]
4.430.	[Reserved]
4.431.	[Reserved]
4.432.	[Reserved]
4.433.	[Reserved]
4.434.*	Patent Security Agreement, dated May 2, 2011, between Dopaco, Inc. and The Bank of New York Mellon
4.435.*	Trademark Security Agreement, dated May 2, 2011, between Dopaco, Inc. and The Bank of New York Mellon
4.436.*	Third Amendment to Quota Pledge Agreement, dated as of June 7, 2011, granted by SIG Austria Holding GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda.
4.437.*	Confirmation Agreement, dated June 7, 2011, among SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.438.*	Account Pledge Agreement, dated June 7, 2011, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.439.*	Account Pledge Agreement, dated June 7, 2011, between SIG Combibloc GmbH & Co. KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.440.*	Pledge Agreement relating to shares in SIG Euro Holding AG & Co. KG aA, dated June 7, 2011, among SIG Austria Holding GmbH, SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon.
4.441.*	Amendment Agreement No. 3 relating to a Charge and Security Deposit Over Bank Accounts Agreement between Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent, dated June 7, 2011.
4.442.*	Confirmation and Amendment Agreement dated June 7, 2011, among Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.443.*	NY Law Confirmation Agreement, dated August 5, 2011 by SIG Combibloc Ltd.
4.444.*	Amendment to Quota Pledge Agreement in favor of Closure Systems International (Brazil) Sistemas de Vedação Ltda, dated September 8, 2011, among Closures Systems International B.V., Closure Systems International Holdings Inc. and The Bank of New York Mellon
4.445.*	Amendment to Pledge Agreement over Receivables and other Credit Rights in favor of Closure Systems International (Brazil) Sistemas de Vedação Ltda, dated September 8, 2011
4.446.*	Amendment to Accounts Pledge Agreement in favor of Closure Systems International (Brazil) Sistemas de Vedação Ltda, dated September 8, 2011
4.447.*	Amendment to Pledge Agreement over Inventory, Equipment and other Assets in favor of Closure Systems International (Brazil) Sistemas de Vedação Ltda, dated September 8, 2011
4.448.*	Amendment to Accounts Pledge Agreement in favor of SIG Combibloc do Brasil, dated September 8, 2011
4.449.*	

	Amendment to Pledge Agreement over Receivables and other Credit Rights in favor of SIG Combibloc do Brasil, dated September 8, 2011
4.450.*	Amendment to Quota Pledge Agreement in favor of SIG Beverages Brasil, dated September 8, 2011, among SIG Beverages GmbH, SIG Euro Holding AG & Co. KGaA and The Bank of New York Mellon

Exhibit Number	Exhibit Description
4.451.*	Account Pledge Agreement, between Closure Systems International Holdings (Germany) GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.452.*	Account Pledge Agreement, between Closure Systems International Deutschland GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.453.*	Account Pledge Agreement, between SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.454.*	Account Pledge Agreement, between SIG Beverages Germany GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.455.*	Account Pledge Agreement, between SIG Combibloc GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.456.*	Account Pledge Agreement, between SIG Combibloc Holding GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.457.*	Account Pledge Agreement, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH) and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.458.*	Account Pledge Agreement, between SIG Information Technology GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.459.*	Account Pledge Agreement, between SIG International Services GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.460.*	Account Pledge Agreement, between SIG Combibloc Systems GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.461.*	Account Pledge Agreement, between SIG Combibloc Zerspanungstechnik GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.462.*	Account Pledge Agreement, between Pactiv Hamburg Holdings GmbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.463.*	Account Pledge Agreement, between Pactiv Deutschland Holdinggesellschaft mbH and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.464.*	Account Pledge Agreement, between Omni-Pac Ekco GmbH Verpackungsmittel and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.465.*	Account Pledge Agreement, between Omni-Pac GmbH Verpackungsmittel and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.466.*	Account Pledge Agreement, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.467.	[Reserved]
4.468.*	Account Pledge Agreement, between SIG allCap AG and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.469.*	Account Pledge Agreement, between SIG Combibloc Procurement AG and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.470.*	Account Pledge Agreement, between SIG Asset Holdings Limited and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.471.*	Non notarial share and interest pledge agreement relating to shares in SIG Euro Holding AG & Co. KG aA, among SIG Combibloc Group AG and SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG), dated September 8, 2011

Table of Contents

Exhibit Number	Exhibit Description
4.472.*	Notarial Share Pledge Agreement in respect of Closure Systems International Holdings (Germany) GmbH, Closure Systems International Deutschland GmbH, SIG Euro Holding AG & Co. KG aA, SIG Beverages Germany GmbH, SIG Combibloc GmbH, SIG Combibloc Holding GmbH, SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), SIG Information, Technology GmbH, SIG International Services GmbH, SIG Combibloc Systems GmbH, SIG Combibloc Zerspanungstechnik GmbH, Pactiv Hamburg Holdings GmbH, Pactiv Deutschland Holdinggesellschaft mbH, Omni-Pac Ekco GmbH Verpackungsmittel and Omni-Pac GmbH Verpackungsmittel, among Closure Systems International B.V., SIG Combibloc Group AG and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.473.*	Non-accessory Security Confirmation and Amendment Agreement in respect of IP Assignments, Security Transfer Agreements, Global Assignment Agreements and Security Purpose Agreements, between SIG Combibloc Group AG and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.474.*	Deed of Confirmation and Amendment relating to a debenture between SIG Combibloc Limited (Hong Kong) and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.475.*	Deed of Confirmation and Amendment relating to a share charge over shares in SIG Combibloc Limited (Hong Kong) between SIG Combibloc Group AG and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.476.*	Deed of Confirmation and Amendment relating to a debenture between Evergreen Packaging (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.477.*	Deed of Confirmation and Amendment relating to a share charge over shares in Evergreen Packaging (Hong Kong) Limited between Evergreen Packaging International B.V. and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.478.*	Deed of Confirmation and Amendment relating to a debenture between Closure Systems International (Hong Kong) Limited and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.479.*	Deed of Confirmation and Amendment relating to a share charge over shares in Closure Systems International (Hong Kong) Limited between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.480.*	Amendment Agreement No. 3 relating to a quota charge agreement over quotas in CSI Hungary Manufacturing and Trading Limited Liability Company between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.481.*	Amendment agreement No. 5 relating to a floating charge agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.482.*	Amendment agreement No. 5 relating to a charge and security deposit over bank accounts agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.483.*	Amendment agreement No. 5 relating to a fixed charge agreement between CSI Hungary Manufacturing and Trading Limited Liability Company and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.484.*	Amendment agreement No. 5 relating to a quota charge agreement over quotas in Closure Systems International Holdings (Hungary) Kft. (succeeded by CSI Hungary Kft.) between Closure Systems International B.V. and Wilmington Trust (London) Limited as collateral agent,

	dated September 8, 2011
4.485.	[Reserved]
4.486.	[Reserved]
4.487.*	Confirmation Agreement in respect of all Luxembourg security, dated September 8, 2011, among SIG Combibloc Holding GmbH, Reynolds Group Holdings Limited and The Bank of New York Mellon

Table of Contents

Exhibit Number	Exhibit Description
4.488.*	Acknowledgement Agreement in respect of a Floating Lien Pledge Agreement between Bienes Industriales del Norte, S.A. de C.V., CSI en Ensenada, S. de R.L. de C.V., CSI en Saltillo, S. de R.L. de C.V., CSI Tecniservicio, S. de R.L. de C.V., Grupo CSI de Mexico, S. de R.L. de C.V., Técnicos de Tapas Innovativas, S.A. de C.V., Evergreen Packaging México, S. de R.L. de C.V., Reynolds Metals Company de Mexico, S. de R.L. de C.V., and Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.489.*	Acknowledgement Agreement in respect of a Security Trust Agreement between CSI en Saltillo, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.490.*	Acknowledgement Agreement in respect of Equity Interests Pledge Agreement between Grupo CSI de México, S. de R.L. de C.V., Closure Systems International B.V., CSI Mexico LLC, CSI en Saltillo, S. de R.L. de C.V., Closure Systems Mexico Holdings LLC, Evergreen Packaging International B.V., Reynolds Packaging International B.V. and Reynolds Metals Company de México, S. de R.L. de C.V. and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.491.*	Confirmation and Amendment Agreement between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and SIG Combibloc Group AG, and The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.492.*	Deed of Confirmation and Amendment relating to a debenture granted by J. & W. Baldwin (Holdings) Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.493.*	Deed of Confirmation and Amendment relating to a debenture granted by The Baldwin Group Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.494.*	Deed of Confirmation and Amendment relating to a debenture granted by Omni-Pac U.K. Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.495.*	Deed of confirmation and amendment relating to a debenture granted by Ivex Holdings, Ltd. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.496.*	Deed of confirmation and amendment relating to a pledge of shares in Ivex Holdings, Ltd. granted by Reynolds Packaging International B.V. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.497.*	Deed of confirmation and amendment relating to a debenture granted by Kama Europe Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.498.*	Deed of confirmation and amendment relating to a debenture granted by Reynolds Consumer Products (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.499.*	Deed of confirmation and amendment relating to a pledge of shares in Reynolds Consumer Products (UK) Limited granted by Reynolds Consumer Products International B.V. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.500.*	Deed of confirmation and amendment relating to a debenture granted by Reynolds Subco (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.501.*	Deed of confirmation and amendment relating to a debenture granted by Closure Systems International (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.502.*	Deed of confirmation and amendment relating to a pledge of shares in Closure Systems International (UK) Limited granted by Closure Systems International B.V. in favour of The Bank

	of New York Mellon as collateral agent, dated September 8, 2011
4.503.*	Deed of confirmation and amendment relating to a debenture granted by SIG Holdings (UK) Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.504.*	Deed of confirmation and amendment relating to a pledge of shares in SIG Holdings (UK) Limited granted by SIG Combibloc Group AG in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011

Exhibit Number	Exhibit Description
4.505.*	Deed of confirmation and amendment relating to a debenture granted by SIG Combibloc Limited in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.506.*	Deed of confirmation and amendment relating to a pledge of shares in SIG Combibloc Ltd. granted by SIG Combibloc Holding GmbH in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.507.*	Deed of Confirmation and Amendment in respect of a security over cash agreement granted by CSI Hungary Manufacturing and Trading Limited Liability Company in favour of Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.508.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Reynolds Consumer Products International B.V. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.509.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Closure Systems International B.V. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.510.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by CSI Lux following the merger with CSI Lux and RCP Lux, by Beverage Packaging Holdings (Luxembourg) III S.à r.l. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.511.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Beverage Packaging Holdings (Luxembourg) III S.à r.l. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.512.*	Deed of Confirmation and Amendment in respect of a security assignment of contractual rights under a specific contract granted by Beverage Packaging Holdings (Luxembourg) I S.A. in favour of The Bank of New York Mellon as collateral agent, dated September 8, 2011
4.513.*	Fixed Charge over Account between Whakatane Mill Limited and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.514.*	Share Pledge Amendment between SIG Combibloc Group AG and Wilmington Trust (London) Limited as collateral agent, dated September 8, 2011
4.515.*	Fourth Amendment to Quota Pledge Agreement, dated as of October 14, 2011, granted by SIG Austria Holding GmbH in favor of The Bank of New York Mellon as collateral agent and acknowledged by SIG Combibloc do Brasil Ltda.
4.516.*	Confirmation Agreement, dated October 14, 2011, among SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.517.*	Account Pledge Agreement, dated October 14, 2011, between SIG Austria Holding GmbH and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.518.*	Account Pledge Agreement, dated October 14, 2011, between SIG Combibloc GmbH & Co. KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent
4.519.*	Pledge Agreement relating to shares in SIG Euro Holding AG & Co. KG aA, dated October 14, 2011, among SIG Austria Holding GmbH, SIG Euro Holding AG & Co. KG aA and The Bank of New York Mellon.
4.520.*	Amendment Agreement No. 4 relating to a Charge and Security Deposit Over Bank Accounts Agreement between Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent, dated October 14, 2011.
4.521.*	Confirmation and Amendment Agreement dated October 14, 2011, among Combibloc GmbH & Co KG and Wilmington Trust (London) Limited in its capacity as additional Collateral Agent

4.522.* Pledge Over Shares Agreement in Beverage Packaging Holdings (Luxembourg) IV S.à r.l., dated as of March 20, 2012, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and The Bank of New York Mellon as collateral agent

Exhibit Number	Exhibit Description
4.523.*	Pledge Over Shares Agreement in Beverage Packaging Factoring (Luxembourg) S.à r.l., dated as of March 20, 2012, between Beverage Packaging Holdings (Luxembourg) IV S.à r.l. and The Bank of New York Mellon as collateral agent
5.1.**	Opinion of Debevoise & Plimpton LLP (New York)
5.2.**	Opinion of Richards, Layton & Finger, P.A.
5.3.**	Opinion of Sher Garner Cahill Richter Klein McAllister and Hilbert L.L.C.
5.4.**	Opinion of Dorsey & Whitney LLP
5.5.**	Opinion of Lowenstein Sandler PC
5.6.**	Opinion of Roberts & Stevens, P.A.
5.7.**	Opinion of Corrs Chambers Westgarth
5.8.**	Opinion of Schoenherr Rechtsanwaelte GmbH
5.9.**	Opinion of Levy & Salomao Advogados
5.10.**	Opinion of Harney Westwood & Riegels
5.11.**	Opinion of Blake, Cassels & Graydon LLP
5.12.**	Opinion of Pacheco Coto
5.13.**	Opinion of Carey Olson
5.14.**	Opinion of Debevoise & Plimpton LLP (Germany)
5.15.**	Opinion of Freshfields Bruckhaus Deringer (Hong Kong)
5.16.**	Opinion of Oppenheim Ügyvédi Iroda
5.17.**	Opinion of Freshfields Bruckhaus Deringer (Japan)
5.18.**	Opinion of Loyens & Loeff, Avocats à la Cour
5.19.**	Opinion of Borda y Quintana, S.C.
5.20.**	Opinion of Freshfields Bruckhaus Deringer (Netherlands)
5.21.**	Opinion of Bell Gully
5.22.**	Opinion of Pestalozzi Attorneys at Law
5.23.**	Opinion of Weerawong, Chinnavat & Peangpanor Ltd.
5.24.**	Opinion of Debevoise & Plimpton LLP (London)
5.25.**	Opinion of Ballard Spahr LLP
5.26.**	Opinion of Blank Rome LLP
5.27.**	Opinion of Vorys, Sater, Seymour and Pease LLP
5.28.**	Opinion of Jones Waldo Holbrook & McDonough, PC
10.1.*	Amendment No. 6 and Incremental Term Loan Assumption Agreement, dated August 9, 2011, by and among Reynolds Group Holdings Inc., Pactiv Corporation (now known as Pactiv LLC), Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGaA, SIG Austria Holding GmbH, Closure Systems International B.V., Reynolds Group Holdings Limited, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and Credit Suisse AG, as administrative agent for Lenders.
10.1.1.*	Second Amended and Restated Credit Agreement, dated as of August 9, 2011, among Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., SIG Euro Holding AG & Co KGAa, SIG Austria Holding GMBH, Pactiv Corporation (now known as Pactiv LLC), the other Borrowers set forth therein, Reynolds Group Holdings Limited, the Lenders and Credit Suisse AG, as administrative Agent (as filed as Annex A to Amendment No. 6 and Incremental Term Loan Assumption Agreement).

Table of Contents

Exhibit Number	Exhibit Description
10.1.2.*	Borrowing Subsidiary Agreement, dated as of November 16, 2010, among Reynolds Group Holdings Inc., a Delaware corporation, Reynolds Consumer Products Holdings Inc. a Delaware corporation, Closure Systems International Holding Inc., a Delaware corporation, SIG Euro Holding AG & CO KGaA, a German partnership limited by shares, SIG Austria Holding GmbH, an Austrian limited liability company (Gesellschaft mit beschränkter Haftung), Closure Systems International B.V., a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated under the laws of The Netherlands, Reynolds Group Holdings Limited a New Zealand limited liability company, Pactiv Corporation (now known as Pactiv LLC), a Delaware corporation and Credit Suisse AG, as administrative agent
10.1.3.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between SIG Holdings (UK) Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.4.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between SIG Combibloc Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.5.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between CSI Latin American Holdings Corporation, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.6.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Closure Systems International (Canada) Limited (amalgamated into Pactiv Canada Inc.) and Credit Suisse AG, Cayman Islands Branch, as administrative agent
10.1.7.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between CSI Closure Systems Manufacturing de Centro America, S.R.L. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.8.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Closure Systems International Holdings (Japan) KK and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.9.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Closure Systems International Japan, Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.10.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Closure Systems International (UK) Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.11.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Reynolds Consumer Products (UK) Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.12.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between SIG Combibloc Procurement AG and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.13.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of December 2, 2009, between Reynolds Subco (UK) Limited (f/k/a BACO Consumer Products Limited) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.14.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between Closure Systems International (Brazil) Sistemas de Vedação Ltda. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.15.*	

	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between SIG Asset Holdings Ltd. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.16.	[Reserved]
10.1.17.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between CSI Hungary Manufacturing and Trading Limited Liability Company and Credit Suisse AG, Cayman Islands Branch, as administrative agent.

Table of Contents

Exhibit Number	Exhibit Description
10.1.18.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between Bienes Industriales del Norte S.A. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.19.*	Guarantor Joinder to the Credit Agreement, dated as of January 29, 2010, between CSI en Ensenada, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.20.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between CSI en Saltillo, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.21.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between CSI Tecniservicio, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.22.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between Grupo CSI de Mexico, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.23.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between Tecnicos de Tapas Innovativas S.A. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.24.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between SIG Combibloc Ltd., a Thailand entity and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.25.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of January 29, 2010, between SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.26.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of February 2, 2010, between Closure Systems International Americas, Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.27.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging Inc., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.28.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging USA Inc., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.29.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging International (US) Inc., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.30.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Blue Ridge Holding Corp., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.31.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Blue Ridge Paper Products Inc., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.32.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between BRPP, LLC, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.33.*	

	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging Canada Limited, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.34.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging (Luxembourg) S.À.R.L., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.

Table of Contents

Exhibit Number	Exhibit Description
10.1.35.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Whakatane Mill Limited, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.36.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging International B.V., and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.37.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging (Hong Kong) Limited, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.38.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Evergreen Packaging Mexico, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.39.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 5, 2009 as amended by Amendment No. 1 dated as of January 21, 2010 (as further amended, supplemented or otherwise modified from time to time) of SIG Combibloc do Brasil Ltda. among Reynolds Group Holdings Inc. , Reynolds Consumer Products Holdings, Closure Systems International Holdings Inc., SIG Euro Holding AG & Co KGAA, SIG Austria Holding GMBH, Closures Systems International BV, Reynolds Group Holdings Limited the Lenders listed there to and Credit Suisse AG, as administrative agent, dated March 30, 2010
10.1.40.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 5, 2009 as amended by Amendment No. 1 dated as of January 21, 2010 (as further amended, supplemented or otherwise modified from time to time) of SIG Beverages Brasil Ltda among Reynolds Group Holdings Inc. , Reynolds Consumer Products Holdings, Closure Systems International Holdings Inc., SIG Euro Holding AG & Co KGAA, SIG Austria Holding GMBH, Closures Systems International BV, Reynolds Group Holdings Limited the Lenders listed there to and Credit Suisse AG, as administrative agent, dated March 30, 2010
10.1.41.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of June 17, 2010, between Whakatane Mill Australia Pty Limited, and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.42.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.43.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Metals Company de Mexico, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.44.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Maxpack, S. de R.L. de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.45.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Packaging International B.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.46.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Ivex Holdings, Ltd. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.47.*	

	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Kama Europe Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.48.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Packaging Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.

Exhibit Number	Exhibit Description
10.1.49.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Flexible Packaging Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.50.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Food Packaging LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.51.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Packaging Kama Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.52.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Reynolds Packaging LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.53.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 4, 2010, between Ultra Pac, Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.54.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv Factoring LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.55.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv RSA LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.56.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv Retirement Administration LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent
10.1.57.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv Germany Holdings, Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent
10.1.58.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv International Holdings Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.59.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv Management Company LLC and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.60.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between PCA West Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.61.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement)t, dated as of November 16, 2010, between Prairie Packaging, Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.62.	[Reserved]
10.1.63.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between PWP Industries, Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.64.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Newspring Industrial Corp. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.

10.1.65.* Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Newspring Canada Inc. (amalgamated into Pactiv Canada Inc.) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.

Exhibit Number	Exhibit Description
10.1.66.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Pactiv Canada Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.67.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between 798795 Ontario Limited (amalgamated into Pactiv Canada Inc.) and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.68.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between The Baldwin Group Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.69.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between J. & W. Baldwin (Holdings) Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.70.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of November 16, 2010, between Omni-Pac U.K. Limited and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.71.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of March 2, 2011, between Pactiv Hamburg Holdings GmbH, Pactiv Deutschland Holdinggesellschaft MBH, Omni-Pac Ekco GmbH Verpackungsmittel, Omni-Pac Gmbh Verpackungsmittel and Credit Suisse AG, as administrative agent.
10.1.72.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of April 19, 2011, between Central de Bolsas, S. de R.L. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V., Pactiv Mexico, S. de R.L. de C.V. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.73.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of May 2, 2011, between Dopaco, Inc., Dopaco Canada, Inc., Garven Incorporated, Conference Cup Ltd. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.74.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of August 19, 2011, between Bucephalas Acquisition Corp. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.75.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of September 8, 2011, between Graham Packaging Company Inc., GPC Holdings LLC, BCP/Graham Holdings L.L.C. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.76.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of October 14, 2011, between Reynolds Manufacturing, Inc., RenPac Holdings Inc. and Credit Suisse AG, Cayman Islands Branch, as administrative agent.
10.1.77.*	Guarantor Joinder to the Credit Agreement (Joinder to First Lien Intercreditor Agreement), dated as of March 20, 2012, between certain additional guarantors and Credit Suisse AG, Cayman Islands Branch, as administrative agent
10.2.1.*	8% Senior Notes due 2016 Indenture, dated as of June 29, 2007, as amended, supplemented or otherwise modified, between, among others, Beverage Packaging Holdings II S.A., Reynolds Group Holdings Limited (formerly Rank Group Holdings Limited), Beverage Packaging Holdings (Luxembourg) I S.A. Beverage Packaging Holdings (Luxembourg) III S.à r.l., The Bank of New York Mellon (formerly The Bank of New York) as trustee, principal paying agent, registrar and transfer agent and Credit Suisse AG (formerly Credit Suisse) as security agent,

	relating to the issuance by Beverage Packaging Holdings II S.A. of 8% Senior Notes due 2016 in the aggregate principal amount of 480,000,000
10.2.2.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Holding USA Inc., The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.

Table of Contents

Exhibit Number	Exhibit Description
10.2.3.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Inc., The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.4.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Group AG (formerly SIG Holding AG), The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.5.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG allCap AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.6.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc (Schweiz) AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.7.	[Reserved]
10.2.8.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Technology AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.9.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Beverages Germany GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.10.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Beteiligungs GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.11.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.12.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Holding GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.13.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Systems GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.14.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Combibloc Zerspanungstechnik GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.15.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Information Technology GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.16.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG International Services GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.17.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Euro Holding AG & Co. KG aA, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.2.18.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems International Holdings (Germany) GmbH, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

10.2.19.* Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems International Deutschland GmbH, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Table of Contents

Exhibit Number	Exhibit Description
10.2.20.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer (Luxembourg) S.A., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.21.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.22.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.23.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Group Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.24.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.25.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.26.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems International Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.27.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems International Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.28.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Packaging Machinery Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.29.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closure Systems Mexico Holdings LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.30.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between CSI Mexico LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.31.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Southern Plastics, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.32.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between CSI Sales & Technical Services Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.33.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.34.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Bakers Choice Products, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.35.*	

	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.36.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products Inc. (formerly Reynolds Foil Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.2.37.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Reynolds Services Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.38.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between SIG Holdings (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.39.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between SIG Combibloc Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.40.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Closure Systems International (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.41.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Reynolds Consumer Products (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.42.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Reynolds Subco (UK) Limited (f/k/a BACO Consumer Products Limited), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.43.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between CSI Latin American Holdings Corporation, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.44.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Closure Systems International (Canada) Limited (amalgamated into Pactiv Canada Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.45.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between CSI Closure Systems Manufacturing de Centro America, S.R.L., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.46.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Closure Systems International Holdings (Japan) KK, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.47.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between Closure Systems International Japan, Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.48.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 2, 2009, between SIG Combibloc Procurement AG, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.49.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of January 29, 2010, between SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.50.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Blue Ridge Holding Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.51.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Blue Ridge Paper Products Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.52.*	

	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging International (US) Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.53.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.2.54.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging USA Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.55.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between BRPP, LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.56.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging Canada Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.57.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging (Hong Kong) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.58.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging (Luxembourg) S.à r.l., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.59.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging México, S. de R.L. de C.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.60.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Evergreen Packaging International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.61.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 4, 2010, between Whakatane Mill Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.62.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.63.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Metals Company de Mexico S. de. R.L de C.V. , The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.64.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Maxpack S. de. R.L de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.65.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Packaging International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.66.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Kama Europe Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.67.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Ivex Holdings, Ltd., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.68.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.69.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Flexible Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.70.*	

	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Food Packaging LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.71.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Packaging Kama Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.2.72.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Reynolds Packaging LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A..
10.2.73.*	Supplemental Indenture to the 8% Senior Notes due 2016, dated September 1, 2010 among Ultra Pac, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.74.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 16, 2010, between Pactiv Corporation (now known as Pactiv LLC), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.75.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 16, 2010, between Pactiv Factoring LLC, Pactiv RSA LLC, Pactiv Retirement Administration LLC, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., Pactiv Management Company LLC, PCA West Inc., Prairie Packaging, Inc., PWP Holdings, Inc., PWP Industries, Inc., Newspring Industrial Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.76.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 16, 2010, between The Baldwin Group Limited, J. & W. Baldwin (Holdings) Limited, Omni-Pac UK Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.77.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 16, 2010, between Newspring Canada Inc., Pactiv Canada Inc., 798795 Ontario Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.78.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of March 2, 2011, among Pactiv Hamburg Holdings GmbH, Pactiv Deutschland Holdinggesellschaft MBH, Omni-Pac Ekco GmbH Verpackungsmittel, Omni-Pac Gmbh Verpackungsmittel, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.79.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of April 19, 2011, among Central de Bolsas, S. de R.L. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V., Pactiv Mexico, S. de R.L. de C.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.80.	[Reserved]
10.2.81.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of May 2, 2011, between Dopaco, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.82.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of November 5, 2009, between Closures Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à.r.l.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.83.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of December 20, 2007, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.84.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of August 19, 2011, between Bucephalas Acquisition Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.85.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of September 8, 2011, between Graham Packaging Company Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.86.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of September 8, 2011, between GPC Holdings LLC, BCP/Graham Holdings L.L.C., The Bank of New York

	Mellon and Beverage Packaging Holdings II S.A.
10.2.87.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of October 14, 2011, between Reynolds Manufacturing, Inc., RenPac Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.2.88.*	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of March 20, 2012, between certain additional guarantors, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.2.89**	Supplemental Indenture to the 8% Senior Notes due 2016 Indenture, dated as of June 15, 2012, between The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.1.*	9.5% Senior Subordinated Notes due 2017 Indenture, dated as of June 29, 2007, as amended, supplemented or otherwise modified, between, among others, Beverage Packaging Holdings II S.A., Reynolds Group Holdings Limited (formerly Rank Group Holdings Limited), Beverage Packaging Holdings (Luxembourg) I S.A. Beverage Packaging Holdings (Luxembourg) III S.à r.l., The Bank of New York Mellon (formerly The Bank of New York) as trustee, principal paying agent, registrar and transfer agent and Credit Suisse AG (formerly Credit Suisse) as security agent, relating to the issuance by Beverage Packaging Holdings II S.A. of 9.5% Senior Subordinated Notes due 2017 in the aggregate principal amount of 420,000,000
10.3.2.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Holding USA Inc., The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.3.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Inc., The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.4.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Group AG (formerly SIG Holding AG), The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.5.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG allCap AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.6.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc (Schweiz) AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.7.	[Reserved]
10.3.8.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Technology AG, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.9.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Beverages Germany GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.10.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Beteiligungs GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.11.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.12.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Holding GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.13.*	

	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Systems GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.14.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Combibloc Zerspanungstechnik GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.3.15.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Information Technology GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.16.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG International Services GmbH, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.17.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 20, 2007, between SIG Euro Holding AG & Co. KG aA, The Bank of New York Mellon (formerly The Bank of New York) and Beverage Packaging Holdings II S.A.
10.3.18.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems International Holdings (Germany) GmbH, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.19.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems International Deutschland GmbH, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.20.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer (Luxembourg) S.A., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.21.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.22.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.23.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Group Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.24.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.25.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Group Issuer LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.26.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems International Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.27.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems International Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.28.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Packaging Machinery Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.29.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Closure Systems Mexico Holdings LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.30.*	

	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between CSI Mexico LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.31.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Southern Plastics, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

II-199

Exhibit Number	Exhibit Description
10.3.32.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between CSI Sales & Technical Services Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.33.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.34.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Bakers Choice Products, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.35.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.36.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Consumer Products Inc. (formerly Reynolds Foil Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.37.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 5, 2009, between Reynolds Services Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.38.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between SIG Holdings (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.39.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between SIG Combibloc Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.40.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Closure Systems International (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.41.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Reynolds Consumer Products (UK) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.42.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Reynolds Subco (UK) Limited (f/k/a BACO Consumer Products Limited), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.43.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between CSI Latin American Holdings Corporation, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.44.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Closure Systems International (Canada) Limited (amalgamated into Pactiv Canada Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.45.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between CSI Closure Systems Manufacturing de Centro America, S.R.L., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.46.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Closure Systems International Holdings (Japan) KK, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.47.*	

	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between Closure Systems International Japan, Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.48.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of December 2, 2009, between SIG Combibloc Procurement AG, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.3.49.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of January 29, 2010, between SIG Schweizerische Industrie-Gesellschaft AG (formerly SIG Reinag AG), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.50.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Blue Ridge Holding Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.51.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Blue Ridge Paper Products Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.52.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging International (US) Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.53.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.54.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging USA Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.55.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between BRPP, LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.56.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging Canada Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.57*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging (Hong Kong) Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.58.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging (Luxembourg) S.à r.l., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.59.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging México, S. de R.L. de C.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.60.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Evergreen Packaging International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.61.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 4, 2010, between Whakatane Mill Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.62.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Food Packaging Canada Inc. (amalgamated into Pactiv Canada Inc.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.63.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Metals Company de Mexico S. de. R.L de C.V. , The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.64.*	

	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Maxpack S. de. R.L de C.V. (succeeded by Pactiv Foodservice México, S. de R.L. de C.V.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.65.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Packaging International B.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.3.66.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Kama Europe Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.67.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Ivex Holdings, Ltd., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.68.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.69.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Flexible Packaging Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.70.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Food Packaging LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.71.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Packaging Kama Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.72.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Reynolds Packaging LLC, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.73.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017, dated September 1, 2010 among Ultra Pac, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.74.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 16, 2010, between Pactiv Corporation (now known as Pactiv LLC), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.75.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 16, 2010, between Pactiv Factoring LLC, Pactiv RSA LLC, Pactiv Retirement Administration LLC, Pactiv Germany Holdings, Inc., Pactiv International Holdings Inc., Pactiv Management Company LLC, PCA West Inc., Prairie Packaging, Inc., PWP Holdings, Inc., PWP Industries, Inc., Newspring Industrial Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.76.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 16, 2010, between The Baldwin Group Limited, J. & W. Baldwin (Holdings) Limited, Omni-Pac UK Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.77.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of November 16, 2010, between Newspring Canada Inc., Pactiv Canada Inc., 798795 Ontario Limited, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.78.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of March 2, 2011, among Pactiv Hamburg Holdings GmbH, Pactiv Deutschland Holdinggesellschaft MBH, Omni-Pac Ekco GmbH Verpackungsmittel, Omni-Pac Gmbh Verpackungsmittel, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.79.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of April 19, 2011, among Central de Bolsas, S. de R.L. de C.V., Grupo Corporativo Jaguar, S.A. de C.V., Servicios Industriales Jaguar, S.A. de C.V., Servicio Terrestre Jaguar, S.A. de C.V., Pactiv

	Mexico, S. de R.L. de C.V., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.80.	[Reserved]
10.3.81.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 2, 2011, between Dopaco, Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.

Exhibit Number	Exhibit Description
10.3.82.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 2, 2011, between Closures Systems International (Luxembourg) S.à r.l. (succeeded by Beverage Packaging Holdings (Luxembourg) III S.à r.l.), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.83.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of May 2, 2011, between SIG Vietnam Beteiligungs GmbH (now known as SIG Beteiligungs GmbH), The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.84.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of August 19, 2011, between Bucephalas Acquisition Corp., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.85.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of September 8, 2011, between Graham Packaging Company Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.86.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of September 8, 2011, between GPC Holdings LLC, BCP/Graham Holdings L.L.C., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.87.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of October 14, 2011, between Reynolds Manufacturing, Inc., RenPac Holdings Inc., The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.88.*	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of October 14, 2011, between certain additional guarantors, The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.3.89**	Supplemental Indenture to the 9.5% Senior Subordinated Notes due 2017 Indenture, dated as of June 15, 2011, between The Bank of New York Mellon and Beverage Packaging Holdings II S.A.
10.4.1.	Indenture, dated September 29, 1999, by and between Pactiv Corporation (now known as Pactiv LLC) and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.1 to Tenneco Packaging Inc. s Registration Statement on Form S-4 (No. 333-82923) filed October 4, 1999)
10.4.2.	Second Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of November 4, 1999, between Pactiv Corporation (now known as Pactiv LLC) and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.3(c) to Pactiv Corporation s Quarterly Report on Form 10-Q (No. 1-15157) filed November 18, 1999)
10.4.3.	Fourth Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of November 4, 1999, between Pactiv Corporation (now known as Pactiv LLC) and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.3(e) to Pactiv Corporation s Quarterly Report on Form 10-Q (No. 1-15157) filed November 18, 1999)
10.4.4.	Fifth Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of November 4, 1999, between Pactiv Corporation (now known as Pactiv LLC) and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.3(f) to Pactiv Corporation s Quarterly Report on Form 10-Q (No. 1-15157) filed November 18, 1999)
10.4.5.	Sixth Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of June 25, 2007, between Pactiv Corporation (now known as Pactiv LLC) and the Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to Pactiv Corporation s Current Report on Form 8-K (No. 1-15157) filed June 25, 2007)
10.4.6.	

	Seventh Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of June 25, 2007, between Pactiv Corporation (now known as Pactiv LLC) and the Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to Pactiv Corporation s Current Report on Form 8-K (No. 1-15157) filed June 25, 2007)
10.4.7.	Eighth Supplemental Indenture to the Indenture dated as of September 29, 1999, dated as of October 21, 2010, between Pactiv Corporation (now known as Pactiv LLC) and the Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 10.1 to Pactiv Corporation s Current Report on Form 8-K (No. 1-15157) filed October 22, 2010)

Table of Contents

Exhibit Number	Exhibit Description
10.4.8.	Indenture, dated as of October 7, 2004, among Graham Packaging Company, L.P. and GPC Capital Corp. I and Graham Packaging Holdings Company, as guarantor, and The Bank of New York, as Trustee, relating to the Senior Subordinated Notes Due 2014 of Graham Packaging Company, L.P. and GPC Capital Corp. I, unconditionally guaranteed by Graham Packaging Holdings Company (incorporated by reference to Exhibit 4.2 to Graham Packaging Holdings Company s Current Report on Form 8-K (No. 333-53603-03) filed October 14, 2004)
10.4.9.	Supplemental Indenture, dated as of July 30, 2010, among GPACSUB LLC, Graham Packaging Minster LLC, Graham Packaging Company, L.P., GPC Capital Corp. I, the guarantors party thereto, and The Bank of New York Mellon, as Trustee, relating to the Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.11 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
10.4.10.	Supplemental Indenture, dated as of October 4, 2010, among Graham Packaging GP Acquisition LLC, Graham Packaging LP Acquisition LLC, CPG-L Holdings, Inc., Liquid Container Inc., Graham Packaging LC, L.P., Graham Packaging PX Holding Corporation, Graham Packaging PX, LLC, Graham Packaging PX Company, WCK-L Holdings, Inc., Graham Packaging Company, L.P., GPC Capital Corp. I, the guarantors party thereto, and The Bank of New York Mellon, as Trustee, relating to the Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.13 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
10.4.11.*	Supplemental Indenture, dated as of July 27, 2011, among Graham Packaging Company, L.P., GPC Capital Corp. I, Graham Packaging Holdings Company, the guarantors listed thereto and The Bank of New York Mellon, as Trustee, relating to the Senior Subordinated Notes due 2014
10.4.12.	Indenture, dated as of November 24, 2009, among Graham Packaging Company, L.P., GPC Capital Corp. I, the Guarantors named therein and The Bank of New York Mellon, as Trustee, relating to the Senior Notes Due 2017 of Graham Packaging Company, L.P. and GPC Capital Corp. I, unconditionally guaranteed by the Guarantors named therein (incorporated by reference to Exhibit 4.1 to Graham Packaging Holdings Company s Current Report on Form 8-K (No. 333-53603-03) filed November 24, 2009)
10.4.13.	Supplemental Indenture, dated as of July 30, 2010, among GPACSUB LLC, Graham Packaging Minster LLC, Graham Packaging Company, L.P., GPC Capital Corp. I, the guarantors party thereto, and The Bank of New York Mellon, as Trustee, relating to the Senior Notes due 2017 (incorporated by reference to Exhibit 4.12 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
10.4.14.	Supplemental Indenture, dated as of October 4, 2010, among Graham Packaging GP Acquisition LLC, Graham Packaging LP Acquisition LLC, CPG-L Holdings, Inc., Liquid Container Inc., Graham Packaging LC, L.P., Graham Packaging PX Holding Corporation, Graham Packaging PX, LLC, Graham Packaging PX Company, WCK-L Holdings, Inc., Graham Packaging Company, L.P., GPC Capital Corp. I, the guarantors party thereto, and The Bank of New York Mellon, as Trustee, relating to the Senior Notes due 2017 (incorporated by reference to Exhibit 4.14 to Graham Packaging Holdings Company s Registration Statement on Form S-4/A (No. 333-167976-18) filed October 5, 2010)
10.4.15.	Indenture, dated as of September 23, 2010, among Graham Packaging Company, L.P., GPC Capital Corp. I, the Guarantors named therein and The Bank of New York Mellon, as Trustee, relating to the Senior Notes Due 2018 of Graham Packaging Company, L.P. and GPC Capital Corp. I, unconditionally guaranteed by the Guarantors named therein (incorporated by reference to Exhibit 4.1 to Graham Packaging Company Inc. s Current Report on Form 8-K

(No. 001-34621) filed September 29, 2010)

II-204

Exhibit Number	Exhibit Description
10.5.*	Reaffirmation Agreement, dated as of May 4, 2010 among Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGAA, SIG Austria Holding GmbH, Closure Systems International B.V., Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC and Reynolds Group Issuer Inc., the Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee, principal agent, transfer agent and collateral agent, The Bank of New York Mellon, London Branch, as paying agent and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.1.*	Supplement, dated August 27, 2010, to the Reaffirmation Agreement dated as of May 4, 2010 among Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGAA, SIG Austria Holding GmbH, Closure Systems International B.V., Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC and Reynolds Group Issuer Inc., SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG, Credit Suisse AG, as administrative agent, The Bank of New York Mellon as Trustee under the 2009 Notes Indenture, The Bank of New York Mellon, as trustee, principal paying agent, transfer agent, and collateral agent, The Bank of New York Mellon, London Branch, as paying agent, and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.2.*	Reaffirmation Agreement, dated as of November 16, 2010 among Reynolds Group Holdings Limited, Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGAA, SIG Austria Holding GmbH, Closure Systems International B.V., Reynolds Acquisition Corporation , Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC and Reynolds Group Issuer Inc., the Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.3.*	Supplement, dated January 14, 2011, to the Reaffirmation Agreement dated as of November 16, 2010 among Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGAA, SIG Austria Holding GmbH, Closure Systems International B.V., Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC and Reynolds Group Issuer Inc., SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG, Credit Suisse AG, as administrative agent, The Bank of New York Mellon as Trustee under the October 2010 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.4.*	Reaffirmation Agreement, dated as of February 1, 2011, among Reynolds Group Holdings Limited, Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., the Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.5.*	Reaffirmation Agreement, dated as of February 9, 2011, among Reynolds Group Holdings Limited, Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., Closure Systems International B.V., Pactiv Corporation

(now known as Pactiv LLC), SIG Austria Holding GmbH, SIG Euro Holding AG & Co. KGaA, Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., the Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the February 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents

Exhibit Number	Exhibit Description
10.5.6.*	Reaffirmation Agreement, dated March 2, 2011, among the Brazilian and German Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the February 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the October 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.7.*	Reaffirmation Agreement, dated March 2, 2011, among the Swiss Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the February 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the October 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.8.*	Reaffirmation Agreement, dated as of June 7, 2011, among SIG Austria Holding GmbH, SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the February 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the October 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.9.*	Reaffirmation Agreement,, dated August 5, 2011, among SIG Combibloc Ltd., Credit Suisse AG, as administrative agent under the Credit Agreement and Wilmington Trust (London) Limited as collateral agent
10.5.10.*	Reaffirmation Agreement, dated as of September 8, 2011, among Reynolds Group Holdings Limited, Reynolds Group Holdings Inc., Reynolds Consumer Products Holdings Inc., Closure Systems International Holdings Inc., SIG Euro Holding AG & Co. KGaA, Closure Systems International B.V., Pactiv Corporation (now known as Pactiv LLC), SIG Austria Holding GmbH, Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., the Grantors listed thereto, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the August 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the February 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents
10.5.11.*	Reaffirmation Agreement, dated as of October 14, 2011, among SIG Combibloc GmbH, SIG Combibloc GmbH & Co KG and SIG Austria Holding GmbH, Credit Suisse AG, as administrative agent under the Credit Agreement, The Bank of New York Mellon, as trustee under the New 2011 Senior Secured Notes, The Bank of New York Mellon, as trustee under the 2011 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2010 Senior Secured Notes Indenture, The Bank of New York Mellon, as trustee under the 2009 Senior Secured Notes Indenture and The Bank of New York Mellon and Wilmington Trust (London) Limited as collateral agents under the First Lien Intercreditor Agreement
10.6.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Austria SIG)
10.7.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI & RCP Germany)

10.8.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Germany SIG)
10.9.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Guernsey SIG)
10.10.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Hong Kong)

Table of Contents

Exhibit Number	Exhibit Description
10.11.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong SIG)
10.12.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Japan)
10.13.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg)
10.14.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland SIG)
10.15.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Thailand SIG)
10.16.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom CSI & RCP)
10.17.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom SIG)
10.18.*	Letter of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (US SIG)
10.19.*	Deed Poll of Indemnification, dated October 8, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United States CSI & RCP)
10.20.*	Indemnification Agreement, dated October 18, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Netherlands)
10.21.*	Letter of Indemnification, dated November 24, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland SIG)
10.22.*	Amended and Restated Letter of Indemnification, dated December 15, 2009, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Supervisory Board of SIG Euro Holding AG & Co KGaA)
10.23.*	Letter of Indemnification, dated December 15, 2009, by Rank Group Limited for the benefit and in favour of Peter Holtmann (SIG Euro Holding AG & Co KGaA)
10.24.*	Deed Poll of Indemnification by Rank Group Limited relating to Directors and Officers of Rank Group Limited and other entities in favour and for the benefit of each Indemnified Person, dated December 22, 2009
10.25.*	Letter of Indemnification, dated February 15, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Austria SIG)
10.26.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Japan)
10.27.*	Indemnification Agreement, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Netherlands)
10.28.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom CSI & RCP)
10.29.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI & RCP United States)
10.30.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI & RCP Germany)
10.31.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg Evergreen)
10.32.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (SIG Euro Holding AG & Co KGaA)

10.33.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (US Evergreen)
10.34.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Evergreen Hong Kong)

Exhibit Number	Exhibit Description
10.35.*	Indemnification Agreement, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Evergreen Netherlands)
10.36.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg)
10.37.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (CSI Hong Kong)
10.38.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Germany SIG)
10.39.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Guernsey SIG)
10.40.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong SIG)
10.41.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland SIG)
10.42.*	Deed Poll of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom SIG)
10.43.*	Letter of Indemnification, dated April 21, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (US SIG)
10.44.*	Indemnification Agreement, dated June 25, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (SIG Netherlands)
10.45.*	Letter of Indemnification, dated August 20, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Austria SIG))
10.46.*	Indemnification Agreement, dated August 25, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (Netherlands)
10.47.*	Deed Poll of Indemnification, dated August 25, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (BP III Luxembourg)
10.48.*	Deed Poll of Indemnification, dated August 25, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom)
10.49.*	Agreement of Indemnification, dated August 25, 2010, by Rank Group Limited for the benefit and in favour of the Indemnitees defined therein (United States)
10.50.*	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg)
10.51.*	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom Closures, Reynolds Consumer Products and Reynolds Foodservice)
10.52.*	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom SIG)
10.53.*	Indemnification Agreement, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Netherlands)
10.54.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (SIG Euro Supervisory Board)
10.55.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Austria - SIG)
10.56.*	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Closures Hong Kong)
10.57.*	

	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Evergreen Hong Kong)
10.58.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Guernsey - SIG)

Table of Contents

Exhibit Number	Exhibit Description
10.59.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong - SIG)
10.60.*	Deed Poll of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Japan - Closures)
10.61.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland - SIG)
10.62.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Thailand - SIG)
10.63.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (US SIG)
10.64.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany - Closures)
10.65.*	Agreement of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States Evergreen)
10.66.*	Letter of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany - SIG)
10.67.*	Agreement of Indemnification, dated September 13, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States Closures, Reynolds Consumer Products and Reynolds Foodservice)
10.68.	[Reserved]
10.69.	[Reserved]
10.70.*	Indemnity to Gail D. Lilley from Pactiv Canada Inc., dated November 16, 2010
10.71.*	Agreement of Indemnification, dated November 16, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Pactiv -United States)
10.72.*	Deed Poll of Indemnification, dated November 16, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Pactiv United Kingdom)
10.73.*	Letter of Indemnification, dated November 16, 2010, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Pactiv Germany)
10.74.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Austria SIG)
10.75.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany Closures)
10.76.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany SIG)
10.77.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Guernsey SIG)
10.78.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Closures and Evergreen Hong Kong)
10.79.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong - SIG)
10.80.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Japan Closures)
10.81.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg)
10.82.*	

	Indemnification Agreement, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Netherlands)
10.83.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (SIG Euro Supervisory Board)

Exhibit Number	Exhibit Description
10.84.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland SIG)
10.85.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom Closures, Reynolds Consumer Products, Reynolds Foodservice and Pactiv)
10.86.*	Deed Poll of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom SIG)
10.87.*	Agreement of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States Closures, Reynolds Consumer Products, Evergreen, Reynolds Foodservice and Pactiv)
10.88.*	Letter of Indemnification, dated January 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (US SIG)
10.89.*	Letter of Indemnification, dated March 1, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Pactiv Germany)
10.90.*	Agreement of Indemnification, dated May 2, 2011, by , by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Dopaco United States)
10.91.*	Indemnification Letter Agreement, dated as of October 15, 2009, between Rank Group Limited and Beverage Packaging Holdings (Luxembourg) III S.à r.l., in connection with the purchase of the Closures business
10.92.*	Indemnification Letter Agreement, dated as of October 15, 2009, between Rank Group Limited and Beverage Packaging Holdings (Luxembourg) III S.à r.l., in connection with the purchase of the Reynolds Consumer business
10.93.*	Indemnification Letter Agreement, dated as of April 25, 2010, between Beverage Packaging Holdings (Luxembourg) III S.à r.l. and Carter Holt Harvey Limited
10.94.*	Indemnification Letter Agreement, dated as of September 1, 2010, between Rank Group Limited and Beverage Packaging Holdings (Luxembourg) III S.à r.l.
10.95.*	Transition Services Letter Agreement, dated as of November 5, 2009, between Rank Group Limited and Beverage Packaging Holdings (Luxembourg) III S.à r.l.
10.96.*	Information Sharing Agreement, dated as of April 7, 2010, between Carter Holt Harvey Limited, Carter Holt Harvey Pulp & Paper Limited, Evergreen Packaging Inc. and Blue Ridge Paper Products Inc.
10.97.*	CHH Super Deed of Participation, dated as of May 3, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.98.*	Carter Holt Harvey Limited Deed of Participation, dated as of May 3, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.99.*	Transition Services Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.100.*	IT Services Letter, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.101.*	Carton Board Supply Agreement (New Zealand), dated as of May 4, 2010 between Whakatane Mill Limited and Carter Holt Harvey Limited
10.102.*	Carton Board Supply Agreement (Australia), dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.103.*	Pulpwood Fiber Procurement Agency Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Pulp & Paper Limited
10.104.*	

	Pulp Supply Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Pulp & Paper Limited
10.105.*	NCC Fiber Supply Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited

Table of Contents

Exhibit Number	Exhibit Description
10.106.*	Waste Disposal Agreement, dated as of May 4, 2010 between Whakatane Mill Limited and Carter Holt Harvey Pulp & Paper Limited
10.107.*	Logistics Services Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.108.*	Trademark Assignment Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.109.*	Electricity Hedges Agreement, dated as of May 4, 2010, between Whakatane Mill Limited and Carter Holt Harvey Limited
10.110.*	Evergreen Transition Services Agreement, dated as of May 4, 2010, between Evergreen Packaging Inc. and Carter Holt Harvey Limited
10.111.*	Loan Agreement, between Rank Group Limited as borrower and Rank Group Holdings Limited (now known as Reynolds Group Holdings Limited), dated February 15, 2008
10.112.*	Letter of Indemnification, dated July 6, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany Closures)
10.113.*	Letter of Indemnification, dated July 6, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Germany SIG)
10.114.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Guernsey)
10.115.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong)
10.116.*	Letter of Indemnification, dated July 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Hong Kong)
10.117.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Japan)
10.118.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg)
10.119.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Netherlands)
10.120.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (SIG Euro Supervisory Board)
10.121.*	Letter of Indemnification, dated July 6, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom SIG Holdings UK Limited, SIG Combibloc Limited)
10.122.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States SIG Holdings USA, SIG Combibloc Inc.)
10.123.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Switzerland)
10.124.*	Letter of Indemnification, dated July 19, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Thailand)
10.125.*	Letter of Indemnification, dated July 15, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United Kingdom Closures, Reynolds Consumer Products and Pactiv Foodservice)
10.126.*	Letter of Indemnification, dated July 6, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States Closures, Reynolds Consumer Products and Pactiv Foodservice)

10.127.*	Letter of Indemnification, dated October 5, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Austria)
10.128.*	Deed Poll of Indemnification, dated October 13, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Registration Statement)

Table of Contents

Exhibit Number	Exhibit Description
10.129*	Agreement of Indemnification dated October 14, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States RenPac and Reynolds Manufacturing)
10.130*	Supply Agreement for years 2012-2013, dated February 1, 2012, between Stora Enso Oyj and SIG Combibloc Procurement AG (certain portions of the exhibit have been omitted pursuant to a request for confidential treatment)
10.131.**	Agreement of Indemnification dated March 12, 2012, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States Graham Packaging Holdings Company and certain of its subsidiaries)
10.132.**	Deed Poll of Indemnification dated March 14, 2012, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Luxembourg Beverage Packaging Holdings (Luxembourg) IV S.à.r.l.)
10.133.**	Agreement of Indemnification dated April 23, 2012, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (Netherlands Graham Packaging Holdings B.V.)
10.134**	Agreement of Indemnification dated September 8, 2011, by Reynolds Group Holdings Limited for the benefit and in favour of the Indemnitees defined therein (United States)
12.1.*	Computation of Ratio of Earnings to Fixed Charges
21.1.**	List of Subsidiaries
23.1.**	Consent of PricewaterhouseCoopers LLP with respect to the RGHL Financial Statements, the BP I Financial Statements and the Beverage Packaging Holdings Group Financial Statements
23.2.**	Consent of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l with respect to the Dopaco Financial Statements
23.3.**	Consent of Ernst & Young LLP with respect to the Pactiv Corporation Financial Statements
23.4.**	Consent of Deloitte & Touche LLP with respect to the Graham Packaging Financial Statements
23.5.**	Consent of Debevoise & Plimpton LLP (included in Exhibit 5.1 hereto)
23.6.**	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2 hereto)
23.7.**	Consent of Sher Garner Cahill Richter Klein McAllister and Hilbert L.L.C. (included in Exhibit 5.3 hereto)
23.8.**	Consent of Dorsey & Whitney LLP (included in Exhibit 5.4 hereto)
23.9.**	Consent of Lowenstein Sandler PC (included in Exhibit 5.5 hereto)
23.10.**	Consent of Roberts & Stevens, P.A. (included in Exhibit 5.6 hereto)
23.11.**	Consent of Corrs Chambers Westgarth (included in Exhibit 5.7 hereto)
23.12.**	Consent of Schoenherr Rechtsanwaelte GmbH (included in Exhibit 5.8 hereto)
23.13.**	Consent of Levy & Salomao Advogados (included in Exhibit 5.9 hereto)
23.14.**	Consent of Harney Westwood & Riegels (included in Exhibit 5.10 hereto)
23.15.**	Consent of Blake, Cassels & Graydon LLP (included in Exhibit 5.11 hereto)
23.16.**	Consent of Pacheco Coto (included in Exhibit 5.12 hereto)
23.17.**	Consent of Carey Olson (included in Exhibit 5.13 hereto)
23.18.**	Consent of Debevoise & Plimpton LLP (Germany) (included in Exhibit 5.14 hereto)
23.19.**	Consent of Freshfields Bruckhaus Deringer (Hong Kong) (included in Exhibit 5.15 hereto)
23.20.**	Consent of Oppenheim Ügyvédi Iroda (included in Exhibit 5.16 hereto)
23.21.**	Consent of Freshfields Bruckhaus Deringer (Japan) (included in Exhibit 5.17 hereto)
23.22.**	Consent of Loyens & Loeff, Avocats à la Cour (included in Exhibit 5.18 hereto)
23.23.**	Consent of Borda y Quintana, S.C. (included in Exhibit 5.19 hereto)
23.24.**	Consent of Freshfields Bruckhaus Deringer (Netherlands) (included in Exhibit 5.20 hereto)

23.25.**	Consent of Bell Gully (included in Exhibit 5.21 hereto)

Table of Contents

Exhibit Number	Exhibit Description
23.26.**	Consent of Pestalozzi Attorneys at Law (included in Exhibit 5.22 hereto)
23.27.**	Consent of Weerawong, Chinnavat & Peangpanor Ltd. (included in Exhibit 5.23 hereto)
23.28.**	Consent of Debevoise & Plimpton LLP (London) (included in Exhibit 5.24 hereto)
23.29.**	Consent of Ballard Spahr LLP (included in Exhibit 5.25 hereto)
23.31.**	Consent of Blank Rome LLP (included in Exhibit 5.26 hereto)
23.32.**	Consent of Vorys, Sater, Seymour and Pease LLP (included in Exhibit 5.27 hereto)
23.33.**	Consent of Jones Waldo Holbrook & McDonough, PC (included in Exhibit 5.28 hereto)
24.1.*	Powers of Attorney (contained in signature pages herein and in signature pages to Reynolds Group Holdings Limited s Registration Statements on Form F-4 filed November 3, 2011, February 8, 2012, April 6, 2012, May 11, 2012 and May 30, 2012)
25.1*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 7.75% Senior Secured Notes due 2016 Indenture dated as of November 5, 2009
25.2*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 8.50% Senior Notes due 2018 Indenture dated as of May 4, 2010
25.3*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 7.125% Senior Secured Notes due 2019 Indenture dated as of October 15, 2010
25.4*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 9.000% Senior Notes due 2019 Indenture dated as of October 15, 2010
25.5*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 6.875% Senior Secured Notes due 2021 Indenture dated as of February 1, 2011
25.6*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 8.250% Senior Notes due 2021 Indenture dated as of February 1, 2011
25.7*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 7.875% Senior Secured Notes due 2019 Indenture dated as of August 9, 2011
25.8*	Statement of Eligibility of The Bank of New York Mellon on Form T-1, relating to the 9.875% Senior Notes due 2019 Indenture dated as of August 9, 2011
99.1*	Form of Letter of Transmittal
99.2*	Form of Letter to Nominee
99.3*	Form of Letter to Clients
99.4*	Form of Instructions to Registered Holder and/or Book Entry Transfer Participant from Beneficial Owner
99.5*	Application for Waiver of Requirements of Form 20-F, Item 8.A.4

* Previously filed.

** Filed herein.