BRPP LLC
Form F-4/A
December 21, 2012


**As filed with the Securities and Exchange Commission on December 21, 2012**

**Registration No. 333-185285**

## UNITED STATES

## SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Amendment No. 1

# to

# Form F-4

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

# Reynolds Group Holdings Limited

| | | |
|---|---|---|
| **New Zealand** | **2673** | **Not applicable** |

| | | |
|---|---|---|
| *(State or other jurisdiction of incorporation or organization)* | *(Primary Standard Industrial Classification Code Number)* | *(I.R.S. Employer Identification Number)* |

# Reynolds Group Issuer Inc.

| | | |
|---|---|---|
| **Delaware** | **2673** | **27-1086981** |
| *(State or other jurisdiction of incorporation or organization)* | *(Primary Standard Industrial Classification Code Number)* | *(I.R.S. Employer Identification Number)* |

# Reynolds Group Issuer LLC

| | | |
|---|---|---|
| **Delaware** | **2673** | **27-1087026** |
| *(State or other jurisdiction of incorporation or organization)* | *(Primary Standard Industrial Classification Code Number)* | *(I.R.S. Employer Identification Number)* |

# Reynolds Group Issuer (Luxembourg) S.A.

| | | |
|---|---|---|
| **Luxembourg** | **2673** | **Not applicable** |
| *(State or other jurisdiction of incorporation or organization)* | *(Primary Standard Industrial Classification Code Number)* | *(I.R.S. Employer Identification Number)* |

*(See table of additional registrants on following page.)*

**Reynolds Group Holdings Limited**

**Level Nine**

**148 Quay Street**

**Auckland 1010 New Zealand**

**Attention: Joseph Doyle**

**+1 (847) 482-2409**

*(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)*

**Reynolds Group Issuer Inc.**

**c/o National Registered Agents, Inc.**

**160 Greentree Drive, Suite 101,**

**Dover, Delaware 19904**

**(804) 281-2630**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

***With a copy to:***

**Steven J. Slutzky, Esq.**

**Debevoise & Plimpton LLP**

**919 Third Avenue**

**New York, New York 10022**

**(212) 909-6000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, or the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer ¨

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**CALCULATION OF REGISTRATION FEE**

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Aggregate Offering Price Per Note(1) | Amount of Registration Fee |
|---|---|---|---|
| 5.750% Senior Secured Notes due 2020 | $3,250,000,000 | $3,250,000,000 | $443,300(2) |
| Guarantees of 5.750% Senior Secured Notes due 2020(3) | $3,250,000,000 | | None(4) |

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act.

(2) Previously paid.

(3) See the following page for a table of guarantor registrants.

(4) Pursuant to Rule 457(n) promulgated under the Securities Act, no separate filing fee is required for the guarantors.

**The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**TABLE OF ADDITIONAL REGISTRANTS**

| Exact Name of Additional Registrant as Specified in its Charter* | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| Whakatane Mill Australia Pty Limited | Australia | Not Applicable |
| SIG Austria Holding GmbH | Austria | Not Applicable |
| SIG Combibloc GmbH | Austria | Not Applicable |
| SIG Combibloc GmbH & Co KG | Austria | Not Applicable |
| Closure Systems International (Brazil) Sistemas de Vedação Ltda. | Brazil | Not Applicable |
| SIG Beverages Brasil Ltda. | Brazil | Not Applicable |
| SIG Combibloc do Brasil Ltda. | Brazil | Not Applicable |
| CSI Latin American Holdings Corporation | The British Virgin Islands | Not Applicable |
| Graham Packaging PX Company | California | 95-3571918 |
| Graham Packaging PX, LLC | California | 95-3585385 |
| Evergreen Packaging Canada Limited | Canada | Not Applicable |
| Pactiv Canada Inc. | Canada | Not Applicable |
| CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada | Costa Rica | Not Applicable |
| Bakers Choice Products, Inc. | Delaware | 54-1440852 |
| BCP/Graham Holdings L.L.C. | Delaware | 52-2076130 |
| Blue Ridge Holding Corp. | Delaware | 13-4058526 |
| Blue Ridge Paper Products Inc. | Delaware | 56-2136509 |
| Closure Systems International Americas, Inc. | Delaware | 13-4307216 |
| Closure Systems International Holdings Inc. | Delaware | 77-0710458 |
| Closure Systems International Inc. | Delaware | 25-1564055 |
| Closure Systems International Packaging Machinery Inc. | Delaware | 25-1533420 |
| Closure Systems Mexico Holdings LLC | Delaware | 74-3242904 |
| CSI Mexico LLC | Delaware | 74-3242901 |
| CSI Sales & Technical Services Inc. | Delaware | 77-0710454 |
| Evergreen Packaging Inc. | Delaware | 20-8042663 |
| Evergreen Packaging USA Inc. | Delaware | 76-0240781 |
| Evergreen Packaging International (US) Inc. | Delaware | 33-0429774 |
| GPACSUB LLC | Delaware | 26-1127569 |
| GPC Capital Corp. I | Delaware | 23-2952403 |
| GPC Capital Corp. II | Delaware | 23-2952404 |
| GPC Opco GP LLC | Delaware | 23-2952405 |
| GPC Sub GP LLC | Delaware | 23-2952400 |
| Graham Packaging Acquisition Corp. | Delaware | 75-3168236 |
| Graham Packaging Company Inc. | Delaware | 52-2076126 |
| Graham Packaging Company, L.P. | Delaware | 23-2786688 |
| Graham Packaging LC, L.P. | Delaware | 36-3735725 |
| Graham Packaging LP Acquisition LLC | Delaware | 27-3420362 |
| Graham Packaging PET Technologies Inc. | Delaware | 06-1088896 |

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| Exact Name of Additional Registrant as Specified in its Charter* | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| Graham Packaging Plastic Products Inc. | Delaware | 95-2097550 |
| Graham Packaging PX Holding Corporation | Delaware | 59-1748223 |
| Graham Packaging Regioplast STS Inc. | Delaware | 34-1743397 |
| Graham Packaging GP Acquisition LLC | Delaware | 27-3420526 |
| GPC Holdings LLC | Delaware | 45-2814255 |
| Pactiv Germany Holdings, Inc. | Delaware | 36-4423878 |
| Pactiv International Holdings Inc. | Delaware | 76-0531623 |
| Pactiv LLC | Delaware | 36-2552989 |
| Pactiv Management Company LLC | Delaware | 36-2552989 |
| Pactiv Packaging Inc. | Delaware | 74-3183917 |
| PCA West Inc. | Delaware | 76-0254972 |
| RenPac Holdings Inc. | Delaware | 45-3464426 |
| Reynolds Consumer Products Holdings LLC | Delaware | 77-0710450 |
| Reynolds Consumer Products Inc. | Delaware | 77-0710443 |
| Reynolds Group Holdings Inc. | Delaware | 27-1086869 |
| Reynolds Manufacturing, Inc. | Delaware | 45-3412370 |
| Reynolds Presto Products Inc. | Delaware | 76-0170620 |
| Reynolds Services Inc. | Delaware | 27-0147082 |
| SIG Combibloc Inc. | Delaware | 56-1374534 |
| SIG Holding USA, LLC | Delaware | 22-2398517 |
| Closure Systems International Deutschland GmbH | Germany | Not Applicable |
| Closure Systems International Holdings (Germany) GmbH | Germany | Not Applicable |
| Omni-Pac Ekco GmbH Verpackungsmittel | Germany | Not Applicable |
| Omni-Pac GmbH Verpackungsmittel | Germany | Not Applicable |
| Pactiv Deutschland Holdinggesellschaft mbH | Germany | Not Applicable |
| SIG Beteiligungs GmbH | Germany | Not Applicable |
| SIG Beverages Germany GmbH | Germany | Not Applicable |
| SIG Combibloc GmbH | Germany | Not Applicable |
| SIG Combibloc Holding GmbH | Germany | Not Applicable |
| SIG Combibloc Systems GmbH | Germany | Not Applicable |
| SIG Combibloc Zerspanungstechnik GmbH | Germany | Not Applicable |
| SIG Euro Holding AG & Co. KGaA | Germany | Not Applicable |
| SIG Information Technology GmbH | Germany | Not Applicable |
| SIG International Services GmbH | Germany | Not Applicable |
| SIG Asset Holdings Limited | Guernsey | Not Applicable |
| Closure Systems International (Hong Kong) Limited | Hong Kong | Not Applicable |
| SIG Combibloc Limited | Hong Kong | Not Applicable |
| CSI Hungary Manufacturing and Trading Limited Liability Company | Hungary | Not Applicable |
| Closure Systems International Holdings (Japan) KK | Japan | Not Applicable |
| Closure Systems International Japan, Limited | Japan | Not Applicable |

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| Exact Name of Additional Registrant as Specified in its Charter* | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| Southern Plastics Inc. | Louisiana | 72-0631453 |
| Beverage Packaging Holdings (Luxembourg) I S.A. | Luxembourg | Not Applicable |
| Beverage Packaging Holdings (Luxembourg) III S.à r.l. | Luxembourg | Not Applicable |
| Beverage Packaging Holdings (Luxembourg) IV S.à r.l. | Luxembourg | 98-1033229 |
| Beverage Packaging Holdings (Luxembourg) V S.A. | Luxembourg | Not Applicable |
| Evergreen Packaging (Luxembourg) S.à r.l. | Luxembourg | Not Applicable |
| Bienes Industriales del Norte, S.A. de C.V. | Mexico | Not Applicable |
| CSI en Ensenada, S. de R.L. de C.V. | Mexico | Not Applicable |
| CSI en Saltillo, S. de R.L. de C.V. | Mexico | Not Applicable |
| CSI Tecniservicio, S. de R.L. de C.V. | Mexico | Not Applicable |
| Evergreen Packaging Mexico, S. de R.L. de C.V. | Mexico | Not Applicable |
| Grupo Corporativo Jaguar, S.A. de C.V. | Mexico | Not Applicable |
| Grupo CSI de Mexico, S. de R.L. de C.V. | Mexico | Not Applicable |
| Pactiv Foodservice Mexico, S. de R.L. de C.V. | Mexico | Not Applicable |
| Pactiv Mexico, S. de R.L. de C.V. | Mexico | Not Applicable |
| Reynolds Metals Company de Mexico, S. de R.L. de C.V. | Mexico | Not Applicable |
| Técnicos de Tapas Innovativas, S.A. de C.V. | Mexico | Not Applicable |
| Servicios Industriales Jaguar, S.A. de C.V. | Mexico | Not Applicable |
| Servicio Terrestre Jaguar, S.A. de C.V. | Mexico | Not Applicable |
| Closure Systems International B.V. | The Netherlands | Not Applicable |
| Evergreen Packaging International B.V. | The Netherlands | Not Applicable |
| Reynolds Consumer Products International B.V. | The Netherlands | Not Applicable |
| Reynolds Packaging International B.V. | The Netherlands | Not Applicable |
| Whakatane Mill Limited | New Zealand | Not Applicable |
| BRPP, LLC | North Carolina | 56-2206100 |
| International Tray Pads & Packaging, Inc. | North Carolina | 56-1783093 |
| Graham Packaging Minster LLC | Ohio | 56-2595198 |
| Graham Packaging Holdings Company | Pennsylvania | 23-2553000 |
| Graham Recycling Company, L.P. | Pennsylvania | 23-2636186 |
| SIG allCap AG | Switzerland | Not Applicable |
| SIG Combibloc Group AG | Switzerland | Not Applicable |
| SIG Combibloc Procurement AG | Switzerland | Not Applicable |
| SIG Combibloc (Schweiz) AG | Switzerland | Not Applicable |
| SIG Schweizerische Industrie-Gesellschaft AG | Switzerland | Not Applicable |
| SIG Technology AG | Switzerland | Not Applicable |
| SIG Combibloc Ltd. | Thailand | Not Applicable |
| Closure Systems International (UK) Limited | United Kingdom | Not Applicable |
| IVEX Holdings, Ltd. | United Kingdom | Not Applicable |
| J. & W. Baldwin (Holdings) Limited | United Kingdom | Not Applicable |
| Kama Europe Limited | United Kingdom | Not Applicable |
| Omni-Pac U.K. Limited | United Kingdom | Not Applicable |
| Reynolds Consumer Products (UK) Limited | United Kingdom | Not Applicable |

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| Exact Name of Additional Registrant as Specified in its Charter* | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| Reynolds Subco (UK) Limited | United Kingdom | Not Applicable |
| SIG Combibloc Limited | United Kingdom | Not Applicable |
| The Baldwin Group Limited | United Kingdom | Not Applicable |
| Graham Packaging West Jordan, LLC | Utah | 04-3642518 |

* The address and telephone number for each of the additional registrants is c/o Reynolds Group Holdings Limited, Level Nine, 148 Quay Street, Auckland 1010 New Zealand, Attention: Joseph Doyle, telephone: +1 (847) 482-2409. The name and address, including zip code, of the agent for service for each additional registrant is Reynolds Group Issuer Inc. c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, telephone: (804) 281-2630.

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The information contained in this prospectus is not complete and may be changed. We may not complete this exchange offer or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 21, 2012

PROSPECTUS

# Reynolds Group Issuer Inc.

# Reynolds Group Issuer LLC

# Reynolds Group Issuer (Luxembourg) S.A.

## Offer to Exchange

$3,250,000,000 Outstanding 5.750% Senior Secured Notes due 2020

(the old notes ) and Related Guarantees for

$3,250,000,000 Registered 5.750% Senior Secured Notes due 2020

(the new notes ) and Related Guarantees

Reynolds Group Issuer Inc., or the US Issuer, Reynolds Group Issuer LLC, or the US Co-Issuer, and Reynolds Group Issuer (Luxembourg) S.A., or the Lux Issuer, which collectively we refer to as the Issuers, are offering to exchange the old notes, as defined in this prospectus, for a like principal amount of new notes, as defined in this prospectus.

The terms of the new notes are identical in all material respects to the terms of the old notes, except that, among other differences, the new notes are registered under the Securities Act of 1933, as amended, which we refer to as the Securities Act, and the transfer restrictions and registration rights relating to the old notes will not apply to the new notes. The old notes and the new notes are joint and several obligations of the Issuers. The new notes will be issued under the same indenture governing the old notes. See Description of the Senior Secured Notes General.

The exchange offer will expire at 5:00 p.m., New York City time, on , 2013, which date and time we refer to as the expiration date, unless the Issuers extend the expiration date, in which case expiration date means the latest date and time to which the exchange offer is extended. You should read the section called The Exchange Offer for further information on how to exchange your old notes for new notes.

The old notes are, and the new notes will be, guaranteed (subject to certain customary guarantee release provisions set forth in the indenture governing the notes), on a joint and several basis, by Reynolds Group Holdings Limited, or RGHL, Beverage Packaging Holdings (Luxembourg) I S.A., or BP I, and certain of BP I s subsidiaries that, subject to certain exceptions, are borrowers under or guarantee the Senior Secured Credit Facilities (as defined herein) of RGHL, BP I and certain subsidiaries of BP I, which collectively we refer to as the guarantors. Each guarantor is 100% owned by RGHL. The registration statement, of which this prospectus forms a part, registers the guarantees as well as the notes. The notes and the related guarantees are senior obligations of the Issuers and the guarantors and are secured on a first lien priority basis by existing and future assets of certain of the guarantors, including RGHL and certain of its subsidiaries, as described in this prospectus. In the event of enforcement of the liens securing the notes, the proceeds thereof will be applied (subject to repaying certain agent and transfer fees and costs of enforcement) first to repay on a ratable basis the notes and other indebtedness secured on a first lien priority basis by those liens, including under BP I s and its subsidiaries senior secured credit facilities. The priority of all liens securing the notes and the related guarantees is subject to certain exceptions and prior permitted liens.

See Risk Factors beginning on page 44 for a discussion of risk factors that you should consider prior to tendering your old notes in the exchange offer.

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 the 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 180 days after the expiration date, they will make this prospectus available to any exchanging dealer or initial purchaser and for a period of 90 days after the expiration day to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2012

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## NOTICE TO EEA INVESTORS

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ) there shall be no offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of notes may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the representatives for any such offer; or

- in any other circumstances which do not require the publication by the Issuers or any guarantor of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, (a) the expression an offer of notes to the public in relation to any of the notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, (b) the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and (c) the expression 2010 PD Amending Directive means Directive 2010/73/EU.

## NOTICE TO CERTAIN NON-U.S. INVESTORS

*Austria.* The notes may be offered and sold in the Republic of Austria only in accordance with the provisions of Capital Markets Act *(Kapitalmarktgesetz)*, the Banking Act *(Bankwesengesetz)*, the Securities Supervision Act 2007 *(Wertpapieraufsichtsgesetz 2007)* of Austria and any other applicable Austrian law governing the offer and sale of the notes in the Republic of Austria. The notes have not been admitted for a public offer in Austria either under the provisions of the Capital Markets Act *(Kapitalmarktgesetz)*, or the Investment Funds Act *(Investmentfondsgesetz)* or the Stock Exchange Act *(Börsegesetz)*. Neither this document nor any other document in connection with the notes is a prospectus according to the Capital Markets Act *(Kapitalmarktgesetz)*, the Stock Exchange Act *(Börsegesetz)* or the Investment Funds Act *(Investmentfondsgesetz)* and has therefore not been drawn up, audited, approved, pass-ported and/or published in accordance with the aforesaid acts. Consequently, the notes may not be, and are not being, offered, re-sold or otherwise transferred directly or indirectly by way of a public offering in the Republic of Austria. No steps may be taken that would constitute a public offer of the notes in Austria and the offer of the notes may not be advertised publicly in the Republic of Austria.

*Brazil.* The notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM. The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations. The notes are not being offered into Brazil. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any offer for subscription or sale of the notes to the public in Brazil.

*Denmark.* This prospectus does not constitute a prospectus under Danish law or regulations and has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory

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authority in Denmark, and the notes have not been and are not intended to be listed on a Danish stock exchange or a Danish authorized market place. Furthermore, the notes have not been and will not be offered to the public in Denmark. Consequently, this prospectus may not be made available nor may the notes otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 306 of April 28, 2005.

*France.* The notes have not been and will not be offered or sold, directly or indirectly, to the public in France *(offre au public de titres financiers)*, and no offering or marketing materials relating to the notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The notes may only be offered or sold in France to qualified investors *(investisseurs qualifiés)* and/or to a limited group of investors *(cercle restreint d investisseurs)* as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier and article 211-2 of the Règlement Général of the French financial market authority *(Autorité des Marchés Financiers).*

Prospective investors are informed that:

- this prospectus has not been submitted for clearance to the *Autorité des Marchés Financiers*;

- in compliance with article D.411-1 of the French *Code monétaire et financier*, any investors subscribing for the notes should be acting for their own account; and

- the direct and indirect distribution or sale to the public of the notes acquired by them may only be made in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French *Code monétaire et financier*.

*Germany.* The notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany *(Wertpapierprospektgesetz, WpPG)* and any other applicable German law. This prospectus has not been and will not be filed with or approved by the German Financial Services Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)* or any other regulatory authority in Germany, and the notes have not been and will not be admitted for public offering in Germany. Consequently, in Germany the notes will only be available to, and this prospectus and any other offering material in relation to the notes is directed only at, persons who are qualified investors *(qualifizierte Anleger)* within the meaning of Section 2 No. 6 of the Securities Prospectus Act. Any resale of the notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable German laws.

*Hungary.* The offering of the notes is not a public offering in Hungary. Therefore, no license has been or will be issued by the Hungarian Financial Supervisory Authority or any other authority for the public offering of the notes in Hungary. Any marketing, subsequent transfer or on-sale of the notes must be carried out in accordance with the private placement exemptions of the Capital Markets Act (Act CXX of 2001) and any other applicable Hungarian law.

*Ireland.* This document does not comprise a prospectus for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland, the Prospectus (Directive 2003\71\EC) Regulations 2005 of Ireland or the Prospectus Rules issued by the Central Bank of Ireland in March 2006. No person may: (i) underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any codes of conduct rules made under Section 37 thereof, and the provisions of the Investor Compensation Act 1998; (ii) underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2003 (as amended) and any codes of conduct rules made under Section 117(1) thereof; and (iii) underwrite the issue of, or place, or otherwise act in Ireland in respect of, the notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by The Central Bank of Ireland pursuant thereto.

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*Italy.* The offering of the notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* ( CONSOB ) (the Italian Securities Exchange Commission), pursuant to Italian securities legislation and, accordingly, in the Republic of Italy the notes may not be offered, sold or delivered, nor may copies of the prospectus or of any other document relating to the notes be distributed in the Republic of Italy, except:

- to professional investors *(operatori qualificati)*, as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of July 1, 1998 ( Regulation 11522 ), as amended; or
- in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the Financial Services Act ) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended; and

provided, however, that any such offer, sale or delivery of notes or distribution of copies of this prospectus or any other document relating to the notes in the Republic of Italy is:

- made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and
- in compliance with any and all other applicable laws and regulations.

*Grand Duchy of Luxembourg.* The notes may not be offered or sold within the territory of the Grand Duchy of Luxembourg unless:

- a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier in accordance with the Law of July 10, 2005 on prospectuses for securities as amended from time to time (the Prospectus Law ) and implementing the Prospectus Directive, as amended by the Law of July 3, 2012 which has implemented in Luxembourg law the 2010 PD Amending Directive; or
- if Luxembourg is not the home member State, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home member state that the prospectus has been duly approved in accordance with the Prospectus Directive and the 2010 PD Amending Directive; or
- the offer is made to qualified investors as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or
- the offer benefits from any other exemption to, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

*Spain.* The notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law *(Ley 24/1988, de 28 de julio, del Mercado de Valores)*, as amended and restated, and Royal Decree 1310/2005 *(Real Decreto 1310/2005, de 4 de noviembre de 2005, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos)*, as amended and restated, and the decrees and regulations made thereunder. The notes may not be sold, offered or distributed to persons in Spain except in circumstances which do not constitute an offer of securities in Spain within the meaning of the Spanish Securities Market Law and further relevant legislation. This prospectus has not been registered with the Spanish Securities Market Commission *(Comisión Nacional del Mercado de Valores)* and therefore it is not intended for the offering or sale of the notes in Spain.

*Switzerland.* The notes may be offered in Switzerland on the basis of a private placement and not as a public offering. The notes will neither be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland, nor are they subject to Swiss Law. This prospectus does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations, Art. 27, et seq. of the Listing Rules of the SIX Swiss Exchange or the listing rules of any other stock exchange or regulated trading

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facility in Switzerland, and does not comply with the Directive for notes of Foreign Borrowers of the Swiss Bankers Association. Neither this document nor any other offering or marketing material relating to the notes or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the notes, the Issuers or the notes have been or will be registered with the Swiss Financial Market Supervisory Authority (FINMA) or any other Swiss authority for any purpose whatsoever.

*United Kingdom.* The notes may not be offered or sold and will not be offered or sold to any persons in the United Kingdom other than persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses and in compliance with all applicable provisions of the Financial Services and Markets Act 2000 ( FSMA ) with respect to anything done in relation to the notes in, from or otherwise involving the United Kingdom.

In addition, no person may communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who do not have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the Issuers or any guarantor. The offering of the notes has complied with and will comply with all applicable provisions of FSMA with respect to anything done in, from or otherwise involving the United Kingdom.

## MARKET DATA

We operate in markets for which it is difficult to obtain precise and current industry and market information. All statements made in this prospectus regarding our position in the markets in which we operate, including market data, certain economics data and forecasts, were estimated or derived based upon assumptions we deem reasonable and from our own research, surveys or studies conducted by third parties, and other industry or general publications. There is no single third party source for any of our market shares or total market size. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable. While we believe that each of these studies and publications is reliable, we have not independently verified data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, we believe our internal research with respect to our markets is reliable, but it has not been verified by any independent sources. Historical data on the food and beverage packaging manufacturing market do not have a universally recognized authoritative source.

In addition, in many cases we have made statements in this prospectus regarding our markets and our position in such markets based on our experience and investigation of market conditions. None of our internal surveys or information has been verified by any independent sources.

## TRADEMARKS

As used in this prospectus, Combibloc®, Combifit™, Combishape®, Diamond®, Evergreen Packaging®, Kordite®, Presto®, Reynolds®, Reynolds Wrap®, Hefty®, Hefty® Baggies®, Hefty® Cinch Sak®, Hefty® EZ Foil®, Hefty® Odor Block®, Hefty® OneZip®, Hefty® The Gripper®, Hefty® Zoo Pals®, Monosorb®, SurShot®, Escape®, G-Lite® and SlingShot™ are trademarks of our different businesses. This prospectus also refers to brand names, trademarks or service marks of other companies. All brand names and other trademarks or service marks cited in this prospectus are the property of their respective holders.

**We have not authorized anyone to give you any information or to make any representations about the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representation about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy**

**securities anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.**

**In making an investment decision, investors must rely on their own examination of our business and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.**

In connection with the exchange offer, we have filed with the Securities and Exchange Commission, or the SEC, a registration statement on Form F-4, under the Securities Act, relating to the new notes to be issued in the exchange offer. As permitted by SEC rules, this prospectus does not contain all the information included in the registration statement. For a more complete understanding of the exchange offer, you should refer to the registration statement, including its exhibits.

The public may read and copy any reports or other information that we file with the SEC. Such filings are available to the public over the Internet at the SEC s website at http://www.sec.gov. The SEC s Internet address is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. You may also obtain a copy of the registration statement relating to the exchange offer and other information that we file with the SEC at no cost by calling us or writing to us at the following address:

Reynolds Group Holdings Limited

Level Nine

148 Quay Street

Auckland 1010 New Zealand

Attention: Joseph Doyle

+1 (847) 482 2409

**In order to obtain timely delivery of such materials, you must request documents from us no later than five business days before you must make your investment decision or at the latest by , 2013.**

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## SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. You should read this entire prospectus carefully, including Summary Presentation of Financial Information, Risk Factors, Special Note of Caution Regarding Forward-Looking Statements, and Operati and Financial Review and Prospects.*

*In this prospectus, unless otherwise indicated or the context otherwise requires (a) references to we, us or our are to RGHL and its consolidated subsidiaries, (b) references to Graham Packaging are to Graham Packaging Company Inc. and, unless the context otherwise requires, its consolidated subsidiaries and (c) references to the RGHL Group are to RGHL and its consolidated subsidiaries. We describe the six segments that comprise the RGHL Group following the consummation of the Graham Packaging Acquisition ((i) our aseptic carton packaging segment, or SIG, (ii) our fresh carton packaging, liquid packaging board, carton board and freesheet segment, or Evergreen, (iii) our caps and closures segment, or Closures, (iv) our consumer products segment, or Reynolds Consumer Products, (v) our foodservice packaging segment, or Pactiv Foodservice, and (vi) our custom blow molded plastic container segment, or Graham Packaging ) as if they were the RGHL Group s segments for all historical periods described in this prospectus, unless otherwise indicated.*

*For a discussion of the terms used to describe our transactions (e.g. November 2012 Refinancing Transactions, September 2012 Refinancing Transactions, February 2012 Refinancing Transactions, Graham Packaging Change of Control Offer, Graham Packaging Acquisition, Dopac Acquisition, 2011 Refinancing Transactions, Pactiv Acquisition, Reynolds Foodservice Acquisition, Evergreen Acquisition, RGHL Acquisiti SIG Acquisition and Initial Evergreen Acquisition ), refer to The Transactions.*

*For ease of reference, you may also refer to the Glossary of Selected Terms for many of the defined terms used in this prospectus. Certain other terms used herein have the meanings indicated within this prospectus.*

### Our Company

We are a leading global manufacturer and supplier of consumer, beverage and foodservice packaging products. We sell our products to customers globally, including to a diversified mix of leading multinational companies, large national and regional companies and small local businesses. We primarily serve the consumer food, beverage and foodservice market segments.

### Our Segments

We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging.

**SIG Overview**

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. Aseptic carton packaging, most prevalent in Europe and Asia, is designed to allow beverages or liquid food to be stored for extended periods of time without refrigeration. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services. SIG has a large global customer base with its largest presence in Europe.

**Evergreen Overview**

Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Fresh carton packaging, most predominant in North America, is designed for beverages that require a cold-chain distribution system, and therefore have a more limited shelf life than beverages in aseptic carton packaging. 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 coated groundwood primarily for catalogs, inserts, magazine and commercial printing, as well as uncoated freesheet primarily for envelope, specialty and offset printing paper. Evergreen has a large customer base and operates primarily in North America.

**Closures Overview**

Closures is a leading manufacturer of plastic beverage caps and closures, primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market. Closures products also serve the liquid dairy, food, beer and liquor and automotive fluid markets. In addition to supplying plastic caps and closures, Closures also offers high speed rotary capping equipment, which secure caps on a variety of packaging, and related services. Closures has a large global customer base with its largest presence in North America.

**Reynolds Consumer Products Overview**

Reynolds Consumer Products is a leading manufacturer in the U.S. of branded and store branded consumer products such as aluminum foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. These products are typically used by consumers in their homes and are sold through a variety of retailers, including grocery stores, mass-merchandisers, warehouse clubs, drug stores, discount chains and military channels. Reynolds Consumer Products has a large customer base and operates primarily in North America.

**Pactiv Foodservice Overview**

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. Pactiv Foodservice distributes its foodservice and food packaging products through foodservice distributors, food processors, supermarket distributors, supermarkets and restaurants. Pactiv Foodservice has a large customer base and operates primarily in North America.

**Graham Packaging Overview**

Graham Packaging, including the operations and activities of Graham Packaging Holdings Company, or Graham Holdings, is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Based on our analysis of industry data, we believe that Graham Packaging has the number one market share positions in North America for hot-fill juices, sports drinks/isotonics, yogurt drinks, liquid fabric care, dish detergents, motor oil and certain other products measured by volume. Graham Packaging 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 such as glass, metal and paperboard. Graham Packaging has a large global customer base with its largest presence in North America.

**Risk Factors**

Our ability to successfully operate our business is subject to certain risks, including those that are generally associated with operating in the packaging industry. These risks include, but are not limited to, the following:

- risks related to acquisitions, including completed and future acquisitions, such as the risks that we may be unable to complete an acquisition in the timeframe anticipated, on its original terms, or at all, or that we may not be able to achieve some or all of the benefits that we expect to achieve from such acquisitions, including risks related to integration of our acquired businesses;

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- risks related to the future costs of energy, raw materials and freight;
- risks related to our substantial indebtedness and our ability to service our current and future indebtedness;
- risks related to our hedging activities, which may result in significant losses and in period-to-period earnings volatility;
- risks related to our suppliers of raw materials and any interruption in our supply of raw materials;
- risks related to downturns in our target markets;
- risks related to increases in interest rates, which would increase the cost of servicing our debt;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to exchange rate fluctuations;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to the impact of a loss of one of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;
- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;
- risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;
- risks related to restrictive covenants in the notes and our other indebtedness, which could adversely affect our business by limiting our operating and strategic flexibility;
- risks related to our dependence on key management and other highly skilled personnel;
- risks related to our pension plans; and

risks related to other factors discussed or referred to in this prospectus, including in the section titled Risk Factors.

We operate in a very competitive and rapidly changing environment. Investing in the notes involves substantial risk. You should consider carefully all of the information in this prospectus and, in particular, you should evaluate the specific risk factors set forth in the Risk Factors section of this prospectus in evaluating the exchange offer and making a decision whether to invest in the new notes.

**Our Strategic Owner**

We are part of a group of private companies based in New Zealand that are wholly-owned by Mr. Graeme Hart, our strategic owner.

Between January 31, 2007 and August 1, 2007, entities beneficially owned by Mr. Graeme Hart acquired the businesses that now constitute our Evergreen segment in a series of transactions for $618 million. On May 4, 2010, we acquired the equity of the businesses that now constitute our Evergreen segment from these entities for a total purchase price of $1,612 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities beneficially owned by Mr. Graeme Hart acquired from Alcoa Inc. the businesses that now constitute our Closures segment, our Reynolds consumer products business and our Reynolds foodservice packaging business for a total purchase price of $2.7 billion.

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On November 5, 2009, we acquired the equity of the businesses that now constitute our Closures segment for a total purchase price of $708 million and our Reynolds consumer products business for a total purchase price of $984 million from these entities. The purchase price was paid to entities controlled by Mr. Graeme Hart.

On September 1, 2010, we acquired the equity of the businesses that now constitute our Reynolds foodservice packaging business from these entities for a total purchase price of $342 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

In each case, the difference between the consideration paid to initially acquire a business from a third-party and the consideration paid by the RGHL Group to acquire the same business from entities that are beneficially owned by Mr. Graeme Hart reflects changes in 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. Cash payments made by us to acquire these businesses either reduced our available cash or were funded by increases in the principal amount of our outstanding indebtedness.

**RGHL**

Reynolds Group Holdings Limited was incorporated under the Companies Act 1993 of New Zealand on May 30, 2006. Its registered office is located at Level Nine, 148 Quay Street, Auckland 1010 New Zealand, and its telephone number is +1 (847) 482 2409.

**The Issuers**

US Issuer is a corporation, incorporated under the laws of the State of Delaware, United States, on September 29, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes and the Existing Notes. Other than its financing activities as a co-issuer of the notes and the Existing Notes, and guaranteeing the Senior Secured Credit Facilities and the 2007 Notes, US Issuer has no material assets, operations or revenue. Accordingly, we have not included any financial statements or other information about the US Issuer. Its registered office is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, and its telephone number is (804) 281-2630.

US Co-Issuer is a limited liability company formed under the laws of the State of Delaware, United States, on September 17, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes and the Existing Notes. Other than its financing activities as a co-issuer of the notes and the Existing Notes, and guaranteeing the Senior Secured Credit Facilities and the 2007 Notes, US Co-Issuer has no material assets (other than certain intercompany loans), operations or revenue. Accordingly, we have not included any financial statements or other information about the US Co-Issuer. Its registered office is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, and its telephone number is (804) 281-2630.

Lux Issuer is a public limited liability company (société anonyme), formed under the laws of Luxembourg on September 24, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes and the Existing Notes. Other than its financing activities as a co-issuer of the notes and the Existing Notes, and guaranteeing the Senior Secured Credit Facilities and the 2007 Notes, Lux Issuer has no material assets (other than certain intercompany loans), operations or revenue. Accordingly, we have not included any financial statements or other information about the Lux Issuer. Its registered office is located at 6C Rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, and its telephone number is +352-26-258-8883.

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## Corporate Structure

RGHL is a holding company that conducts its business operations through its controlled entities. The following diagram provides a simplified overview of our corporate structure. For a detailed list of RGHL s controlled entities (including the guarantors of the notes), their country of incorporation and the proportion of ownership and voting interest held, directly or indirectly, in them by RGHL, refer to Annex A to this prospectus. Unless indicated below, all depicted entities are issuers or guarantors of the notes.

The following diagram sets forth a summary of our corporate structure and certain financing arrangements.

The (i) 8.0% senior notes due 2016 issued by Beverage Packaging Holdings (Luxembourg) II S.A., or BP II, or the 2007 Senior Notes, the 9.5% senior subordinated notes due 2017 issued by BP II, or the 2007 Senior Subordinated Notes, which together with the 2007 Senior Notes, we refer to as the 2007 Notes, (ii) the 8.135% Debentures due 2017, the 6.400% Notes due 2018, the 7.950% Debentures due 2025 and the 8.375% Debentures due 2027, each issued by Pactiv, which collectively we refer to as the Pactiv Notes, and (iii) (a) the 8.500% senior notes due 2018, or the May 2010 Notes, (b) the 7.125% senior secured notes due 2019, or the October 2010 Senior Secured Notes and the 9.000% senior notes due 2019, or the October 2010 Senior Notes, which together with the October 2010 Senior Secured Notes, we refer to as the October 2010 Notes, (c) the 6.875% senior secured notes due 2021, or the February 2011 Senior Secured Notes, and the 8.250% senior notes due 2021, or the February 2011 Senior Notes, which together with the February 2011 Senior Secured Notes, we refer to as the February 2011 Notes, (d) the 7.875% senior secured notes due 2019, or the August 2011 Senior Secured Notes and the 9.875% senior notes due 2019 (originally issued on August 9, 2011), or the August 2011 Senior Notes, which together with the August 2011 Senior Secured Notes, we refer to as the August 2011 Notes, and (e) the 9.875% senior notes due 2019 (originally issued on February 15, 2012), or the February 2012 Senior Notes each issued by the Issuers are not part of and are not being registered in connection with this offering. We refer to the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes collectively as the Existing Senior Secured Notes. We refer to the May 2010 Notes, the October 2010 Senior Notes, the February 2011 Senior Notes, the August 2011 Senior Notes and the February 2012 Senior Notes collectively as the Existing Senior Notes. We refer to the Existing Senior Secured Notes and the Existing Senior Notes collectively as the Existing Notes.

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For a summary of the debt obligations referenced in this diagram, see Description of Certain Other Indebtedness and Intercreditor Agreements and Description of the Senior Secured Notes.

* Does not guarantee the notes, the Existing Notes, the 2007 Notes or the Senior Secured Credit Facilities.

** Does not guarantee the notes, the Existing Notes or the Senior Secured Credit Facilities.

*** Does not guarantee the notes, the Existing Notes, the 2007 Notes or the Senior Secured Credit Facilities. Borrower under the Securitization Facility. The assets of this entity secure the Securitization Facility.

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**Summary of the Terms of the Exchange Offer**

The old notes were issued in private placement offerings made only to qualified institutional buyers pursuant to Rule 144A under the Securities Act, or Rule 144A, and to persons outside the United States pursuant to Regulation S under the Securities Act, or Regulation S, and accordingly were exempt from registration under the Securities Act. See The Exchange Offer.

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| Notes Offered | $3,250,000,000 aggregate principal amount of new 5.750% Senior Secured Notes due 2020, which have been registered under the Securities Act. |
| | We refer to (i) the outstanding 5.750% Senior Secured Notes due 2020 as the old notes , (ii) the notes registered pursuant to this exchange offer as the new notes and (iii) the old notes and the new notes as the notes. |
| | The terms of the new notes are identical in all material respects to the terms of the old notes, except that the new notes are registered under the Securities Act and will not be subject to restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP and ISIN number than the old notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes. |
| The Exchange Offer | You may exchange old notes and the related guarantees for a like principal amount of new notes and the related guarantees. |
| Resale of New Notes | Based on interpretations by the staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the new notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder of such new notes, other than any such holder that is a broker-dealer or an affiliate of us within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that: |
| | such new notes are acquired in the ordinary course of business; |
| | at the time of the commencement of the exchange offer such holder has no arrangement or understanding with any person to participate in a distribution of such new notes; and |
| | such holder is not engaged in and does not intend to engage in a distribution of such new notes. |
| | By tendering old notes as described in The Exchange Offer Procedures for Tendering, you will be making representations to this effect. If you fail to satisfy any of these |

conditions, you cannot rely on the position of the SEC set forth in the interpretive letters referred to above and you must comply with the registration and prospectus

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| | delivery requirements of the Securities Act in connection with a resale of the new notes. You should read the discussion under the heading The Exchange Offer for further information regarding the exchange offer and resale of the new notes. |
| Registration Rights Agreement | We have undertaken the exchange offer pursuant to the terms of the registration rights agreement that the Issuers entered into with the initial purchasers of the old notes. See The Exchange Offer Purpose of the Exchange Offer. |
| Consequences of Failure to Exchange the Old Notes | You will continue to hold old notes that remain subject to their existing transfer restrictions if:<br>you do not tender your old notes; or<br>you tender your old notes and they are not accepted for exchange.<br>With some limited exceptions, we will have no obligation to register the old notes after we consummate the exchange offer. See The Exchange Offer Terms of the Exchange Offer and The Exchange Offer Consequences of Failure to Exchange. |
| Expiration Date | The exchange offer will expire at 5:00 p.m., New York City time, on , 2013, unless we extend it, in which case expiration date means the latest date and time to which the exchange offer is extended. |
| Interest on the New Notes | The new notes will accrue interest from the last interest payment date on which interest was paid on the old notes or, if no interest has been paid on the old notes, from the date of original issue of the old notes. |
| Conditions to the Exchange Offer | The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue new notes in exchange for, any old notes, and we may terminate or amend the exchange offer, if we determine at any time before the expiration date that the exchange offer would violate applicable law, any applicable interpretation of the SEC or its staff or any order of any governmental agency or court of competent jurisdiction. The foregoing conditions are for our sole benefit and, except those conditions related to the receipt of government regulatory approvals necessary to consummate the exchange offer, will be satisfied or waived by us at or before the expiration of the exchange offer. In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at any time any stop order is threatened or in effect with respect to:<br>the registration statement of which this prospectus constitutes a part; or<br>the qualification of the indenture governing the notes under the Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act. |

See The Exchange Offer Conditions. We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any of the foregoing events.

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| | If we amend the exchange offer in a manner that we determine to constitute a material change, including the waiver of a material condition, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders of outstanding notes of that amendment and we will extend the exchange offer if necessary so that at least five business days remain in the offer following notice of the material change. |
| Procedures for Tendering Old Notes | If you wish to participate in the exchange offer, you must submit required documentation and effect a tender of old notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this prospectus and in the relevant letter of transmittal or electronic acceptance instruction. See The Exchange Offer Procedures for Tendering. |
| Guaranteed Delivery Procedures | None. |
| Withdrawal Rights | Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw a tender of old notes, a notice of withdrawal must be received by the exchange agent at its address set forth in The Exchange Offer Exchange Agent prior to the expiration date. See The Exchange Offer Withdrawal of Tenders. |
| Acceptance of Old Notes and Delivery of New Notes | Except in some circumstances, any and all old notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. The new notes issued pursuant to the exchange offer will be delivered promptly after such acceptance. We reserve the absolute right to reject any and all old notes not properly tendered or any old notes which, if accepted, would, in the opinion of counsel for us, be unlawful. See The Exchange Offer Terms of the Exchange Offer and The Exchange Offer Acceptance of Old Notes for Exchange; Delivery of New Notes. |
| Certain U.S. Federal Tax Considerations | We believe that the exchange of the old notes for the new notes will not constitute a taxable exchange for U.S. federal income tax purposes. See Tax Considerations United States Federal Income Tax Considerations. |
| Exchange Agent | The Bank of New York Mellon is serving as the exchange agent for the notes. |

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**Summary of the Terms of the New Notes**

The terms of the new notes are identical in all material respects to the terms of the old notes, except that the new notes:

- are registered under the Securities Act and therefore will not be subject to restrictions on transfer;
- will not be subject to provisions relating to additional interest;
- will bear a different CUSIP and ISIN number than the old notes;
- will not entitle their holders to registration rights; and
- will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

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| **Issuers** | The new notes will be the joint and several obligations of Reynolds Group Issuer Inc., Reynolds Group Issuer LLC and Reynolds Group Issuer (Luxembourg) S.A. |
| **Maturity Date** | The new notes will mature on the same date as the old notes. |
| **Interest Rates and Payment Dates** | The new notes will bear interest accruing at the same coupon rate and payable at the same times as the old notes. |
| **Guarantees** | The old notes are and the new notes will be guaranteed (subject to certain customary guarantee release provisions set forth in the indenture governing the notes) on a senior and joint and several basis by RGHL, BP I and, subject to certain conditions and exceptions, by certain subsidiaries of BP I that are or will be borrowers under or guarantee or will guarantee the Senior Secured Credit Facilities. Non-U.S. subsidiaries of our U.S. subsidiaries do not and will not guarantee the notes. Each guarantor is 100% owned by RGHL. See Description of the Senior Secured Notes Senior Secured Note Guarantees, and Description of the Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors. The laws of certain jurisdictions may limit the enforceability of certain guarantees and security with respect to the new notes. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes and Certain Insolvency and Other Local Law Considerations. |
| | We refer to our senior secured credit facilities, which, as of September 30, 2012, consist of $2,235 million in senior secured term loans, 300 million in senior secured term loans, and a $120 million and 80 million senior secured revolving credit facility, as the Senior Secured Credit Facilities. |

**Ranking**

The notes are senior secured obligations of the Issuers and:

- are effectively senior to all existing and future unsecured indebtedness of the Issuers to the extent of the value of the collateral securing the notes;
- rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers, including indebtedness under, or in respect to their guarantees of, the Existing Notes and the Senior Secured Credit Facilities;

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- are effectively subordinated to First Lien Obligations of the Issuers (as defined in Description of the Senior Secured Notes Certain Definitions ), including amounts outstanding under the Senior Secured Credit Facilities, to the extent such First Lien Obligations are secured by property that does not also secure the notes to the extent of the value of all such property;

- are senior in right of payment to all existing and future subordinated indebtedness of the Issuers, including the Issuers respective guarantees of the 2007 Senior Notes and the 2007 Senior Subordinated Notes; and

- are effectively subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the subsidiaries of RGHL (including BP II) that is not a guarantor.

The guarantees related to the notes are senior obligations of each guarantor and:

- are effectively senior to all existing and future unsecured indebtedness of the guarantors that have provided security interests in respect of their assets to the extent of the value of the collateral securing the notes;

- rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor, including indebtedness under, or in respect of its guarantee of, the Existing Notes and the Senior Secured Credit Facilities;

- are effectively subordinated to the other First Lien Obligations (as defined in Description of the Senior Secured Notes Certain Definitions ) of such guarantor, including indebtedness of such guarantor under, or with respect to its guarantee of, the Senior Secured Credit Facilities, to the extent such First Lien Obligations are secured by property that does not also secure the notes to the extent of the value of all such property; and

- are senior in right of payment to all existing or future subordinated indebtedness of such guarantor, including such guarantor s guarantee of the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

As of September 30, 2012, the RGHL Group had:

- $12,006 million aggregate principal amount of outstanding indebtedness secured by any lien;

- $10,842 million aggregate principal amount of outstanding indebtedness that share a *pari passu* lien in the collateral with the notes (excluding letters of credit which have been issued, but not drawn upon). The RGHL Group has 65 million and $42 million of availability under the revolving credit facility under the Senior Secured Credit

Facilities and the ability to incur up to 77 million of secured indebtedness under certain local facilities; and

$18,006 million of unsubordinated indebtedness, whether secured or unsecured, consisting of amounts outstanding under the Senior Secured Credit Facilities, the notes (including the guarantees with

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respect thereto), the Existing Notes, the 2007 Senior Notes (but not including the guarantees with respect thereto), the outstanding Pactiv Notes and debentures, certain local working capital facilities, certain other local overdrafts, derivative liabilities and finance leases.

The notes and the related guarantees constitute Senior Indebtedness (as defined in Description of the Senior Secured Notes Certain Definitions ) for purposes of the indenture governing the 2007 Senior Subordinated Notes and, as such, in a liquidation, dissolution or bankruptcy of the Issuers or the note guarantors, holders of the notes and related guarantees will be entitled to receive payment in full of such notes and related guarantees before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment, other than certain permitted junior securities, in respect of such guarantees.

As of September 30, 2012, on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions, the RGHL Combined Group would have had:

$2,235 million and 300 million of indebtedness outstanding under the Senior Secured Credit Facilities;

an assumed $600 million of indebtedness under the Securitization Facility (as defined in The Transactions );

utilized $5 million of indebtedness under Local Facilities (as defined in Description of the Senior Secured Notes );

$4,000 million of indebtedness outstanding under the Existing Senior Secured Notes;

$5,750 million of indebtedness outstanding under the Existing Senior Notes;

$3,250 million of indebtedness outstanding under the notes;

480 million of indebtedness outstanding under the 2007 Senior Notes;

420 million of indebtedness outstanding under the 2007 Senior Subordinated Notes; and

$792 million of indebtedness outstanding under Pactiv s notes and debentures.

**Security**

Subject to the terms of the security documents, the notes and the related guarantees are secured by a security interest granted on a first priority basis (subject to certain exceptions and to permitted liens) in certain assets of RGHL, BP I and certain of BP I s subsidiaries. These security interests are, subject to certain exceptions, of equal priority with the liens on such assets securing the Senior Secured Credit Facilities, the Existing Senior Secured Notes and other future first lien obligations. BP II has also granted a second and third priority security interest in respect of the proceeds loans in relation to the 2007 Notes.

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The collateral consists of substantially all of the assets of the Issuers and the guarantors, including their capital stock and the capital stock of their direct subsidiaries, real property, bank accounts, investments, receivables, equipment and inventory, intellectual property and insurance policies, but excluding, among others (i) real property with a value equal to or less than 5 million or in which such entity only has a leasehold interest, (ii) a number of Pactiv s real properties, which are estimated to have a book value as of September 30, 2012 of approximately $68 million, (iii) intellectual property with a value of less than 1 million (unless subject to all-asset security documents), (iv) insurance policies that are not material to the RGHL Group as a whole, (v) equity of inactive subsidiaries with a book value of less than $100,000 and (vi) equity of subsidiaries that are not guarantors, are organized in jurisdictions in which no guarantor is organized and have (a) gross assets below 1.0% of the consolidated total assets of the RGHL Group and (b) EBITDA below 1.0% of the consolidated EBITDA of the RGHL Group.

The pledge of the securities of any first tier non-U.S. subsidiaries of our U.S. subsidiaries is also limited to 100% of their non-voting capital stock and 65% of their voting capital stock. First-tier non-U.S. subsidiaries refers to the subsidiaries of RGHL that are domiciled outside the United States that are directly owned by subsidiaries of RGHL that are domiciled in the United States. The notes and the Existing Senior Secured Notes are not secured by a pledge of (i) any of the assets of the non-U.S. subsidiaries of our U.S. subsidiaries or (ii) the capital stock of non-U.S. subsidiaries of our U.S. subsidiaries (other than first tier non-U.S. subsidiaries). In addition, the notes and the Existing Senior Secured Notes are not secured by any principal manufacturing properties (as defined in the Pactiv indentures).

Liens on assets are also limited to the extent deemed necessary to comply with legal limitations, avoid significant tax disadvantages, comply with certain third-party arrangements, satisfy fiduciary duties of directors and minimize fees, taxes and duties. Liens over assets are also not granted to the extent the granting of such lien would have a material adverse effect on the ability of the relevant Issuer or guarantor to conduct business in the ordinary course.

In addition, the indentures that govern the notes and the Existing Senior Secured Notes provide that any portion of the capital stock and other securities of any of our subsidiaries will be excluded from the collateral to the extent that it exceeds the maximum amount of such capital stock or other securities that can be pledged to secure the notes and the Existing Senior Secured Notes without causing such subsidiary to be required to file separate financial statements with the SEC. This collateral cutback provision does not apply to BP I with respect to the notes or the Existing Senior Secured Notes. Under the SEC regulations in effect as of the issue date of the new notes, if the par value, book value or market value, whichever is greatest, of the capital stock or securities of a subsidiary pledged as part of the

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collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. As a result, pursuant to the collateral cutback provision, the value of the capital stock of any of our subsidiaries that is equal to or greater than 20% of the aggregate principal amount of the notes and the Existing Senior Secured Notes would be excluded from the collateral securing the notes.

We estimate that the aggregate book value and market value of the capital stock of our subsidiaries, as of September 30, 2012 and measured in accordance with IFRS after giving effect to consolidation, are approximately $1.4 billion and $5 billion, respectively, which is equivalent to the book value and market value of the capital stock of our subsidiary BP I the ultimate parent of all of our other subsidiaries (other than BP II). While the capital stock of BP I s subsidiaries that is pledged to secure the notes and the Existing Senior Secured Notes is generally subject to the collateral cutback provision as described above, the capital stock of BP I is not subject to the collateral cutback provision. Accordingly, the aggregate book value or market value of the capital stock of our pledged subsidiaries is equivalent to the book value or market value of the capital stock of BP I. We estimated the market value of the capital stock of BP I using the fair value less cost to sell methodology. Under this methodology, we used an EBITDA measure for each of our segments and a market-based EBITDA multiple for each segment to determine the estimated initial fair value of the capital stock of BP I, which was further adjusted for the net debt of BP I and its controlled entities.

The granting of a lien in an asset and the priority of any lien are subject to exceptions. We estimate that the assets of RGHL and its subsidiaries that are part of the collateral securing the notes and the Existing Senior Secured Notes have a book value greater than the principal amount of our outstanding secured indebtedness, which totaled $10,842 million as of September 30, 2012 and measured in accordance with IFRS. See Description of the Senior Secured Notes Security, Description of the Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the Senior Secured Notes Certain Covenants Future Collateral, Description of the Senior Secured Notes Certain Covenants Liens, Description of the Senior Secured Notes Certain Definitions Permitted Liens and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes.

**Intercreditor Agreements**

We are party to two intercreditor agreements that govern the relative rights of the obligors under our existing and future financing arrangements with respect to the collateral: (1) the 2007 UK Intercreditor Agreement (as defined in Description of the Senior Secured Notes ) which sets forth the relative rights and obligations with respect to the holders of the notes, the holders of the Existing Senior Secured Notes, the lenders and other secured parties (including certain local facility providers, hedging counterparties and cash

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management services providers) under the Senior Secured Credit Facilities and the holders of the 2007 Notes, and (2) the First Lien Intercreditor Agreement (as defined in Description of the Senior Secured Notes ) which sets forth the relative rights and obligations with respect to the holders of the notes, the holders of the Existing Senior Secured Notes and the lenders under the Senior Secured Credit Facilities and other secured parties (including certain local facility providers, hedging counterparties and cash management services providers).

**Optional Redemption**

The Issuers may redeem some or all of the notes at any time and from time to time on or after October 15, 2015, at the redemption prices described in this prospectus. Prior to October 15, 2015, the Issuers may redeem some or all of the notes at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the Senior Secured Notes Optional Redemption. In addition, at any time prior to October 15, 2015, the Issuers may redeem up to 40% of the aggregate principal amount of the notes with the proceeds of certain equity offerings at a redemption price of 105.750%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the Senior Secured Notes Optional Redemption.

**Redemption for Taxation Reasons**

In the event of certain developments affecting taxation, the Issuers may redeem all, but not less than all, of the notes at 100% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Senior Secured Notes Redemption for Taxation Reasons.

**Change of Control**

If a change of control occurs, each holder of the notes may require us to repurchase all or a portion of such holder s notes at a purchase price of 101% of the principal amount of such notes, plus accrued and unpaid interest, if any, to the date of repurchase. The term Change of Control is defined under Description of the Senior Secured Notes Change of Control.

**Certain Covenants**

The indenture that governs the notes contains covenants that, among other things, limit the ability of BP I, BP II and their restricted subsidiaries to:

- incur additional indebtedness and issue disqualified and preferred stock;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of BP I, BP II and their respective restricted subsidiaries, enter into arrangements that limit any restricted subsidiary s ability to pay dividends or other payments to BP I, BP II, or any other restricted subsidiary;

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- engage in transactions with affiliates; and
- consolidate, merge or transfer all or substantially all of their assets and the assets of their subsidiaries on a consolidated basis.

These covenants are subject to a number of important limitations and exceptions as described under Description of the Senior Secured Notes Certain Covenants.

**No Public Market**

The new notes will be new securities for which there is currently no public market.

**Governing Law of the Indenture, the Notes, the Related Guarantees, the Intercreditor Agreements and the Security Documents**

The notes, the related indenture, the related guarantees and certain of the intercreditor agreements are governed by the laws of the State of New York. The intercreditor agreements not governed by the laws of the State of New York are governed by the laws of England. For the avoidance of doubt, the provisions of articles 86 to 94-8 of the Luxembourg law of August 10, 1915, as amended, on commercial companies are excluded. The security documents related to the notes are, in most cases, governed by the laws of the jurisdiction in which the relevant Issuer or guarantor is organized with certain exceptions including, as necessary, in respect of security over equity interests, bank accounts and receivables or security documents in respect of property located in Quebec. Accordingly, the security documents are subject to the laws of multiple jurisdictions. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees or the security across multiple jurisdictions may be difficult, Description of the Senior Secured Notes Governing Law and Certain Insolvency and Other Local Law Considerations.

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## Presentation of Financial Information

The segments that comprise the RGHL Group have not been owned, directly or indirectly, by a single company that consolidates their financial results or operates them as a single combined business for all the periods for which financial results are presented in this prospectus. RGHL, through an indirect wholly-owned subsidiary, acquired (i) SIG, on May 11, 2007 as part of the SIG Acquisition, (ii) our Reynolds consumer products business and Closures, on November 5, 2009, as part of the RGHL Transaction, (iii) Evergreen, on May 4, 2010, as part of the Evergreen Transaction, (iv) our Reynolds foodservice packaging business, on September 1, 2010, as part of the Reynolds Foodservice Acquisition, (v) Pactiv on November 16, 2010, as part of the Pactiv Transaction, (vi) Dopaco, on May 2, 2011, as part of the Dopaco Acquisition and (vii) Graham Packaging, on September 8, 2011, as part of the Graham Packaging Acquisition. Graham Packaging has become the sixth segment of the RGHL Group. In addition, as a result of the Initial Evergreen Acquisition, the beverage packaging business of International Paper Company, or IP s Bev Pack Business, is our predecessor for accounting purposes.

The table below summarizes the financial statements and information that are presented herein as well as the applicable accounting standards pursuant to which such financials statements and information were prepared:

| | Interim Financial Information | | Annual Financial Information | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2011 | 2010 | 2009 | 2008 | 2007 |
| ***RGHL Group*** | Financial Statements for the three and nine month periods ended September 30, 2012 and as of September 30, 2012 (Unaudited IFRS) | Financial Statements for the three and nine month periods ended September 30, 2011 (Unaudited IFRS)* | Financial Statements as of and for the year ended December 31, 2011 (Audited IFRS)* | Financial Statements as of and for the year ended December 31, 2010 (Audited IFRS)** | Financial Statements for the year ended December 31, 2009 (Audited IFRS)<br><br>Financial Statements as of December 31, 2009 (Audited IFRS) | Selected financial information as of and for the year ended December 31, 2008 (Audited IFRS)*** | Selected financial information as of and for the year ended December 31, 2007 (Audited IFRS)**** |
| ***BP I(1)*** | Financial Statements for the three and nine month periods ended September 30, 2012 and as of September 30, 2012 (Unaudited IFRS) | Financial Statements for the three and nine month periods ended September 30, 2011 (Unaudited IFRS)* | Financial Statements as of and for the year ended December 31, 2011 (Audited IFRS)* | Financial Statements as of and for the year ended December 31, 2010 (Audited IFRS)** | Financial Statements for the year ended December 31, 2009 (Audited IFRS)<br><br>Financial Statements as of December 31, 2009 (Audited IFRS) | Selected financial information as of and for the year ended December 31, 2008 (Audited IFRS)*** | Selected financial information as of and for the year ended December 31, 2007 (Audited IFRS)**** |
| ***Beverage Packaging Holdings Group(2)*** | Financial Statements for the three and nine month periods ended September 30, 2012 and as of September 30, 2012 (Unaudited IFRS) | Financial Statements for the three and nine month periods ended September 30, 2011 (Unaudited IFRS)* | Financial Statements as of and for the year ended December 31, 2011 (Audited IFRS)* | Financial Statements as of and for the year ended December 31, 2010 (Audited IFRS)** | Financial Statements for the year ended December 31, 2009 (Audited IFRS)<br><br>Financial Statements as of December 31, 2009 (Audited IFRS) | Selected financial information as of and for the year ended December 31, 2008 (Audited IFRS)*** | Selected financial information as of and for the year ended December 31, 2007 (Audited IFRS)**** |
| ***RGHL<br><br>Group Predecessor/<br><br>North American Operations of IP s Bev Pack Business*** | N/A | N/A | N/A | N/A | N/A | N/A | Selected financial information for the one month period from January 1, 2007 to January 31, 2007 (Audited U.S. GAAP) |

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| | Interim Financial Information | | Annual Financial Information | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2011** | **2011** | **2010** | **2009** | **2008** | **2007** |
| ***Pactiv(3)*** | N/A | N/A | N/A | Financial Statements as of and for the three and nine month periods ended September 30, 2010 (Unaudited U.S. GAAP) | Financial Statements as of and for the year ended December 31, 2009 (Audited U.S. GAAP) | Financial Statements as of and for the year ended December 31, 2008 (Audited U.S. GAAP) | Financial Statements for the year ended December 31, 2007 (Audited U.S. GAAP) |
| | | | | Financial information of Pactiv for the period from January 1, 2010 to November 15, 2010, as extracted from Pactiv s accounting records (Unaudited U.S. GAAP) | | | |
| ***Dopaco(3)*** | N/A | Financial Statements as of and for the 126-day period ended May 1, 2011 (Audited U.S. GAAP) | Financial Statements as of and for the 126-day period ended May 1, 2011 (Audited U.S. GAAP) | Financial Statements as of and for the year ended December 26, 2010 (Audited U.S. GAAP) | Financial Statements for the year ended December 27, 2009 (Audited U.S. GAAP) | N/A | N/A |
| ***Graham Packaging(3)*** | N/A | Financial Statements for the three and six month periods ended June 30, 2011 and as of June 30, 2011 (Unaudited U.S. GAAP) | N/A | Financial Statements as of and for the year ended December 31, 2010 (Audited U.S. GAAP) | Financial Statements as of and for the year ended December 31, 2009 (Audited U.S. GAAP) | Financial Statements for the year ended December 31, 2008 (Audited U.S. GAAP) | N/A |
| | | Financial information of Graham Packaging for the period from July 1, 2011 to September 7, 2011, as extracted from Graham Packaging s accounting records (Unaudited U.S. GAAP) | N/A | | | Financial Statements as of December 31, 2008 (Audited U.S. GAAP) | |

(1) The financial statements of BP I are included in this prospectus pursuant to Rule 3-16 of Regulation S-X because the book value of the capital stock of BP I constitutes a substantial portion of the collateral of the notes being registered.

(2) The financial statements of the Beverage Packaging Holdings Group, which consists of BP I, BP I s consolidated subsidiaries and BP II, are included in this prospectus to satisfy reporting requirements under the indenture governing the notes.

(3) The financial statements of Pactiv, Dopaco and Graham Packaging are included in this prospectus pursuant to Rule 3-05 of Regulation S-X because each of these acquired businesses constitutes a significant subsidiary.

* Includes the operations of Dopaco for the period from May 2, 2011 to the end of the period presented and Graham Packaging for the period from September 8, 2011 to the end of the period presented.

** Includes the operations of Pactiv for the period from November 16, 2010 to December 31, 2010.

***

Includes a full year of operations for Evergreen and SIG and ten months of operations for Closures, the Reynolds consumer products business prior to the Pactiv Acquisition and the Reynolds foodservice packaging business prior to the Pactiv Acquisition and the Dopaco Acquisition.

**** Includes 11 months of operations for Evergreen (including five months of operations of Blue Ridge Holding Corp. and its consolidated subsidiaries) and seven months of operations for SIG.

Financial statements not included in this prospectus.

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**RGHL**

On January 31, 2007, Rank Group Limited, an entity that is wholly-owned by our strategic owner, Mr. Graeme Hart, commenced the acquisition of IP s Bev Pack Business. This process occurred in stages from January 31, 2007 to April 30, 2007. See The Transactions The Initial Evergreen Acquisition. On May 4, 2010, Rank Group s investment in Evergreen (which was IP s Bev Pack Business prior to the Initial Evergreen Acquisition) was acquired by the RGHL Group. See The Transactions The Evergreen Transaction. Through the purchase of Evergreen, the RGHL Group became the owner of IP s Bev Pack Business which is our predecessor for accounting purposes. Prior to the Initial Evergreen Acquisition, the RGHL Group had no significant operations.

In May 2007, RGHL acquired SIG Combibloc Group AG (formerly known as SIG Holding AG), or SIG Combibloc, a company that was listed on the SIX Swiss Exchange, pursuant to a public tender offer that was concluded on May 11, 2007 and a subsequent squeeze-out of minority shareholders that was completed on November 7, 2007. See The Transactions The SIG Transaction.

In 2008, as part of the Reynolds Acquisition, certain affiliated entities that are ultimately owned by Mr. Graeme Hart acquired the closures, consumer products and food and flexible packaging business of Alcoa Inc., or Alcoa, that became our Reynolds consumer products business and Closures segment following the RGHL Transaction and our Reynolds foodservice packaging business following the Reynolds Foodservice Acquisition. See The Transactions The Reynolds Acquisition. On November 5, 2009, RGHL acquired Closures and the Reynolds consumer products business from such affiliated entities. See The Transactions The RGHL Transaction. Separately on September 1, 2010, RGHL acquired the Reynolds foodservice packaging business from such affiliated entities. See The Transactions The Reynolds Foodservice Acquisition.

On November 16, 2010, RGHL acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion. In connection with the Pactiv Acquisition, we also paid additional amounts for the cancellation of outstanding stock options and other equity-based awards. Pactiv had historically prepared its financial statements in accordance with the generally accepted accounting principles in the United States of America, or U.S. GAAP. See The Transactions The Pactiv Transaction.

On May 2, 2011, RGHL acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. Dopaco s combined financial statements included elsewhere in this prospectus were prepared on a carve-out basis and are in accordance with U.S. GAAP. See The Transactions The Dopaco Acquisition.

On September 8, 2011, RGHL acquired Graham Packaging Company Inc., or Graham Company, for a total enterprise value, including net debt, of $4.5 billion. In connection with the Graham Packaging Acquisition, we also paid additional amounts for the cancellation of outstanding stock options and other equity-based awards and for the satisfaction of income tax receivable agreements with certain of Graham Company s pre-initial public offering shareholders. Graham Company had historically prepared its financial statements in accordance with U.S. GAAP. Graham Holdings, an indirect wholly-owned subsidiary of RGHL and Graham Company, suspended its reporting obligations under the Exchange Act and has ceased to file any reports with the SEC. See The Transactions The Graham Packaging Transaction.

Our Evergreen, SIG and Closures segments and our Reynolds consumer products and Reynolds foodservice packaging businesses, which are part of our Reynolds Consumer Products and Pactiv Foodservice segments, have been under common ownership and control through entities ultimately 100% owned by Mr. Graeme Hart for four years, but they have not been owned, directly or indirectly, by a single company that consolidated their financial results or operated them as a single combined business for that period of time. We have determined that the Evergreen Acquisition, RGHL Acquisition and Reynolds Foodservice Acquisition constituted business combinations of entities under common control. International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, are silent on the accounting required for business combinations involving entities that are under common control, but requires that entities develop and consistently apply an accounting policy for such transactions. Accordingly, we have chosen to account for RGHL s acquisitions of Evergreen, Closures and the Reynolds consumer products and Reynolds foodservice packaging businesses, which were acquired from entities under the common control of our ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities in the business acquired. The excess of the purchase price over the consolidated carrying value of net assets acquired is recognized directly in equity. No additional goodwill separately arose as a result of the Evergreen Transaction, the RGHL Transaction or the Reynolds Foodservice Acquisition.

We account for business combinations under common control from the date Mr. Graeme Hart, our strategic owner and sole ultimate shareholder, originally obtained control of each of the businesses presented.

We account for business combinations, other than business combinations under common control, using the purchase method of accounting. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the acquisition, with any excess purchase price allocated to goodwill. We have accounted for the Pactiv Acquisition, the Dopaco Acquisition and the Graham Packaging Acquisition using the purchase method of accounting.

The audited financial statements of the RGHL Group as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 are included elsewhere in this prospectus. The audited financial statements of the RGHL Group as of December 31, 2008 and 2009 and for the years ended December 31, 2008 and 2007 are not included in this prospectus. The interim unaudited condensed financial statements of the RGHL Group as of September 30, 2012 and for the three and nine month periods ended September 30, 2012 and 2011 are included elsewhere in this prospectus.

The selected financial data of the North American operations of IP s Bev Pack Business for the period from January 1 to January 31, 2007 have been derived from the North America operations of IP s Bev Pack Business audited combined financial statements, which are not included in this prospectus.

**Pactiv**

The audited consolidated financial statements of Pactiv as of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009 are included elsewhere in this prospectus. The interim consolidated financial statements of Pactiv as of September 30, 2010 and for the three and nine month periods ended September 30, 2009 and 2010, included in this prospectus, are unaudited. Pactiv has historically prepared its financial statements in accordance with U.S. GAAP. Upon the consummation of the Pactiv Acquisition, Pactiv no longer separately reports its financial statements, but rather, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

**Dopaco**

The audited carve-out combined financial statements of Dopaco as of May 1, 2011 and December 26, 2010 and for the 126-day period ended May 1, 2011 and the years ended December 26, 2010 and December 27, 2009 are included elsewhere in this prospectus. Dopaco s combined financial statements included elsewhere in this prospectus were prepared on a carve-out basis and are in accordance with U.S. GAAP. Following the consummation of the Dopaco Acquisition, Dopaco no longer separately reports its financial statements, but rather, beginning from May 2, 2011, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

**Graham Packaging**

The audited financial statements of Graham Packaging as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 are included elsewhere in this prospectus. The audited financial statements of Graham Packaging as of December 31, 2007 and 2008 and for the year ended December 31, 2007, are not included in this prospectus. The interim financial statements of Graham Packaging as of June 30, 2011 and for the three and six month periods ended June 30, 2010 and 2011, included elsewhere in this prospectus, are unaudited. Graham Packaging s financial statements have been prepared in accordance with U.S. GAAP. Following the consummation of the Graham Packaging Acquisition, Graham Packaging no longer separately reports its financial statements, but rather, beginning on September 8, 2011, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

**Non-GAAP Financial Measures**

In this prospectus, we utilize certain non-GAAP financial measures and ratios, including earnings before interest, tax, depreciation and amortization, or EBITDA and Adjusted EBITDA, each with the meanings and as calculated as set forth in Summary Summary Historical and Pro Forma Combined Financial Information, as well as leverage and coverage ratios and the aggregation of predecessor and successor period financial statements, that in each case are not recognized under IFRS or U.S. GAAP. These measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company s operating performance and financing structure and, in certain cases, because those measures are used to determine compliance with covenants in our debt agreements. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS, U.S. GAAP or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in our historical financial statements prepared in accordance with IFRS and U.S. GAAP, as applicable, included in this prospectus. See Risk Factors Risks Related to Our Business Our unaudited pro forma combined financial information is not intended to reflect what our actual results of operations and financial condition would have been had the RGHL Group been a consolidated company with Pactiv, Dopaco and Graham Packaging for the periods presented, and therefore these results may not be indicative of our future operating performance and Risk Factors Risks Related to Our Structure, the Guarantees and the Notes The calculation of EBITDA pursuant to the indenture that will govern the new notes permits certain estimates and assumptions that may differ materially from actual results, and the estimated savings expected from our cost saving plans may not be achieved.

**Currency Presentation**

References in this prospectus to dollars or $ are to the lawful currency of the United States of America. References in this prospectus to euro or are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

IFRS does not require that our financial reporting be presented in a particular currency. Based on our current business mix and other facts and circumstances that our board of directors considers relevant, we have determined that the dollar is currently the most appropriate currency for our financial reporting.

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## Summary of Certain Differences Between IFRS and U.S. GAAP

The financial information of the RGHL Group and the summary unaudited pro forma combined financial information presented in this prospectus has been prepared and presented in accordance with IFRS. Certain differences exist between IFRS and U.S. GAAP, some of which may be material to the financial information herein. Certain financial information related to Graham Packaging, Dopaco and Pactiv has been preliminarily converted from U.S. GAAP to IFRS. See Unaudited Pro Forma Combined Financial Information.

The table below summarizes the material differences between IFRS and U.S. GAAP.

The differences highlighted below reflect only those differences in accounting policies in force at the time of the preparation of the IFRS financial information. We have not attempted to identify future differences between U.S. GAAP and IFRS as a result of prescribed changes in accounting standards or transactions or events that may occur in the future and that could have a significant impact on the presentation below. You should consult your own professional advisor for an understanding of the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information presented in this prospectus.

| Topic | IFRS | U.S. GAAP |
|---|---|---|
| ***Business Combinations*** | Business combinations are accounted for on the basis of the purchase method. However, this excludes businesses brought together to form a joint venture, business combinations involving businesses or entities under common control or involving two or more mutual entities and business combinations in which separate entities or businesses are brought together to form a reporting entity by contract alone without obtaining an ownership interest. | Business combinations are accounted for by the purchase method only. In the event of combinations of entities under common control the accounting for the combination is done on a historical cost basis in a manner similar to a pooling of interests for all periods presented. |
| | IFRS provides a choice in respect of the initial measurement, as at the date of acquisition, of non-controlling interests (previously referred to as minority interests). The initial recognition of a non-controlling interest can be measured at either: | Unlike IFRS, U.S. GAAP requires that the initial measurement as of the date of acquisition of non-controlling interests represents the percentage of the fair value of the net assets of the acquired entity. |
| | (a) its percentage of the fair value of the net assets of the acquired entity; or | Like IFRS, intangible assets acquired in a business combination are recognized initially at fair value. Fair value reflects market participants views about the probability of future economic benefits, and fair value is measured using valuation techniques if there is no active market for the acquired intangible asset. However, unlike IFRS, U.S. GAAP includes guidance on valuation approaches for identifiable intangible assets. |
| | (b) its percentage of the fair value of the identifiable net assets of the acquired entity. | Under U.S. GAAP, push down accounting is required whereby fair value adjustments are recognized in the financial statements of the acquiree. |
| | This election is applied on an acquisition by acquisition basis. The cost of an intangible asset acquired in a business combination is its fair value. Fair value reflects market participants views about the probability of future economic benefits. Fair value is measured using valuation techniques if there is no active market for the acquired intangible asset. There is no specific guidance under IFRS on valuation approaches for intangible assets. | |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| | Unlike under U.S. GAAP, push down accounting, whereby fair value adjustments are recognized in the financial statements of the acquiree, is not required. | |
| ***Post-Retirement Benefits*** | A liability is recognized for an employer s obligation under a defined benefit plan. The liability and expense are measured actuarially using the projected unit credit method. If plan assets exceed the defined benefit obligation, the amount of any net asset recognized is limited to available future benefits from the plan and unrecognized actuarial losses and past service costs. | Like IFRS, a liability is recognized for an employer s obligation under a defined benefit plan. The liability and expense generally are measured actuarially using the projected unit credit method for pay-related plans. However, unlike IFRS, the liability and expense are measured for non-pay-related plans using the traditional unit credit method which excludes the impact of future increases in salary. Additionally, unlike IFRS, U.S. GAAP does not restrict the recognition of an asset in respect of a defined benefit plan. |
| | The discount rate to be used for determining defined benefit obligations is by reference to market yields at the balance sheet date in high-quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations. | Under U.S. GAAP, the discount rate to be used for determining defined benefit obligations is based on the rate at which the obligation could be effectively settled. SEC guidance directs entities to look to the rate of return on high-quality fixed-income investments with similar durations to those of the benefit obligation and further defines high-quality as an investment which has received one of the two highest ratings given by recognized rating agencies. |
| | Actuarial gains and losses are recognized either in profit or loss using the corridor approach, whereby gains and losses are not recognized until they exceed 10% of the greater of the plan assets or funding obligations, or immediately in other comprehensive income. Amounts recognized in other comprehensive income are not subsequently recorded within profit or loss. When recognized in the profit or loss, the gains and losses are recognized over the employees expected average remaining service lives, although faster recognition is permitted. If the benefit has vested, immediate recognition is required. | U.S. GAAP permits entities to either record actuarial gains and losses in profit or loss during the period they were incurred or to defer actuarial gains and losses through the use of the corridor approach or any systematic method that results in faster recognition than the corridor approach. Regardless of whether actuarial gains and losses are recognized immediately or are amortized in a systematic fashion, they are ultimately recorded within the profit or loss. |
| | Plan assets should always be measured at fair value and fair value should be used to determine the expected return on plan assets. | Like IFRS, plan assets should be measured at fair value for balance sheet recognition and for disclosure purposes. However, unlike IFRS, for the purposes of determining the expected return on plan assets, plan assets can be measured at either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. |

| Topic | IFRS | U.S. GAAP |
| --- | --- | --- |
| ***Consolidation*** | Consolidation is based on a control model. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. For control to exist an entity must have the ability to have majority power and be receiving benefits. IFRS requires control to be assessed using a power-to-control model or a de facto control model. Potential voting rights that are currently exercisable are considered in assessing control. | Consolidation is based on a controlling financial interest model, which differs in certain respects from IFRS. For non-variable interest entities, control is the continuing power to govern the financial and operating policies of an entity, like IFRS. However, unlike IFRS, there is no explicit linkage between control and ownership benefits. Potential voting rights are not considered in assessing control for non-variable interest entities under U.S. GAAP. |
| | IFRS requires that uniform accounting policies are used throughout the consolidated group. A special purpose entity, or SPE , is an entity created to accomplish a narrow and well-defined objective. SPEs are consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity. Control may arise through the predetermination of the activities of the SPE or otherwise. The application of the control concept requires judgment of all relevant factors, including the purpose of the SPE, any autopilot mechanisms, where the majority of the benefits go and what entity retains the majority of residual or ownership risks. | There is no requirement to use uniform accounting policies within the consolidated group under U.S. GAAP. Although U.S. GAAP has the concepts of VIEs and QSPEs, which may meet the definition of an SPE under IFRS, the control model that applies to VIEs and QSPEs differs from the control model that applies to SPEs under IFRS. Additionally, unlike IFRS, entities are evaluated as VIEs based on the amount and characteristics of their equity investment at risk and not on whether they have a narrow and well-defined objective. |
| | IFRS does not have a concept of variable interest entities, or VIEs , or qualifying SPEs, or QSPEs . | |
| ***Goodwill*** | After the initial recognition, the goodwill acquired in a business combination is measured at cost less any accumulated impairment loss. Goodwill is not required to be amortized. | Like IFRS, goodwill is not amortized but is tested for impairment annually. Goodwill is reviewed for impairment, at the reporting unit level, at least annually or whenever events or changes in circumstances indicate that the recoverability of the carrying amount should be assessed. |
| | An impairment review of Cash Generating Units, or CGUs , with allocated goodwill is required annually or whenever an indication of impairment exists. The impairment review does not need to take place at the balance sheet date. If newly acquired goodwill is allocated to a CGU that has already been tested for impairment during the period, a further impairment test is required before the balance sheet date. | A two-step impairment test is required:<br><br>(1) The fair value and the carrying amount of the reporting unit including goodwill are compared. Goodwill is considered to be impaired if the fair value of the reporting unit is less than its book value; and |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| | A one-step impairment test is performed. The recoverable amount of the CGU (i.e. the higher of its fair value less costs to sell and its value in use) is compared to its carrying amount. The impairment loss is recognized in operating results as the excess of the carrying amount over the recoverable amount. Impairment is allocated first to goodwill. Allocation is made on a pro rata basis to the CGU s assets if the impairment loss exceeds the book value of goodwill. | (2) If goodwill is determined to be impaired based on step one, goodwill impairment is measured as the excess of the carrying amount of goodwill over its implied fair value. The implied fair value of goodwill is determined by calculating the fair value of the various assets and liabilities included in the reporting unit in the same manner as goodwill is determined in a business combination. The impairment charge is included as a reduction to operating income. |
| ***Property, Plant and Equipment*** | Property, plant and equipment comprises tangible items held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, that are expected to be used during more than one accounting period. Software that is not integral to the operation of the related hardware does not qualify as property, plant and equipment. Instead it is classified as an intangible asset. | Property, plant and equipment is defined similarly to IFRS; however, under U.S. GAAP computer software is often included in property, plant and equipment. Unlike IFRS, revaluation of fixed assets is prohibited under U.S. GAAP, except in connection with purchase accounting. |
| | Fixed assets are recorded at cost or as revalued to market. If carried at revalued amounts, assets should be annually revalued to match the carrying amount of such assets with the fair values. | All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement. |
| | Foreign exchange gains or losses relating to the procurement of property, plant and equipment, under very restrictive conditions, can be capitalized as part of the asset. | Unlike IFRS, estimates of useful life and residual value, and the method of depreciation, are reviewed only when events or changes in circumstances indicate that the current estimates or depreciation method no longer are appropriate. Any changes are accounted for prospectively as a change in estimate. Component depreciation is permitted by U.S. GAAP, but not required. |
| | Estimates of useful life and residual value, and the method of depreciation, are reviewed at least at each annual reporting date. Any changes are accounted for prospectively as a change in estimate. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is depreciated separately. | Like IFRS, borrowing costs incurred while a qualifying asset is being prepared for its intended use form part of the cost of that asset. However, U.S. GAAP allows for more judgment in determination of the capitalization rate that could lead to differences in the amount of costs capitalized. |
| | Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset. | |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| ***Impairment Testing*** | An entity shall assess at each reporting date whether there is any indication that an asset/CGU may be impaired. The impairment loss is the difference between the asset s/CGU s carrying amount and its recoverable amount. The recoverable amount is the higher of the asset s/CGU s fair value less costs to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. | Like IFRS, impairment testing is required when there is an indication of impairment. An impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). |
| | The impairment loss recognized in prior periods for an asset shall be reversed if there has been a change in the estimates used to determine the asset s/CGU s recoverable amount since the last impairment loss was recognized. Impairment losses on goodwill recognized in a prior period cannot be reversed. | An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is determined based on discounted cash flows). |
| | | Unlike IFRS, reversal of impairment losses recognized in a prior period is prohibited under U.S. GAAP. |
| ***Stock-Based Compensation*** | The fair value of shares and options awarded to employees is recognized over the period to which the employees services relate. The award is presumed to be for past services if it is unconditional without any performance criteria. | Like IFRS, the fair value of stock-based compensation is recognized over the requisite service period, which may be explicit, implicit or derived depending on the terms of the awards (e.g. service conditions, market conditions, performance conditions or a combination of conditions). |
| | An entity should treat each installment of a graded vesting award as a separate share option grant. This means that each installment will be separately measured and attributed to expense, resulting in accelerated recognition of total expense. | Unlike IFRS, entities are allowed to make an accounting policy choice regarding recognition of an award with service conditions and a graded vesting schedule. Specifically, an entity can elect to recognize compensation expense: |
| | Employers social security liability arising from share-based payment transactions is recognized over the same period or periods as the share-based payment charge. | on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance multiple awards; or |
| | | on a straight-line basis over the requisite service period for the entire award (i.e. over the requisite service period of the last separately vesting portion of the award). Employer payroll taxes due on employee stock-based compensation are recognized as an expense on the date of the event triggering the measurement and payment of the tax to the taxing authority (generally the exercise date and vesting date for options and restricted stock, respectively). |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| ***Leases*** | A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of the leased asset from the lessor to the lessee; title to the asset may or may not transfer. IFRS applies a substance over legal form approach and requires judgment. An operating lease is a lease other than a finance lease. | Similar concepts are generally applied under U.S. GAAP when determining whether a lease is a capital (finance) lease to a lessee. However, U.S. GAAP provides explicit quantitative thresholds that define when certain of these criteria are met. An operating lease is a lease other than a finance lease. |
| ***Income Taxes*** | Income taxes are calculated using the tax rates that are either enacted or substantively enacted at the balance sheet date. | Income taxes are calculated using enacted tax rates at the balance sheet date. |
| | Deferred tax assets should be recognized when it is probable (i.e. more likely than not) that they will be utilized. Deferred tax assets and liabilities are classified as non-current on the balance sheet. | Deferred tax assets are recognized in full, with valuation allowances established to reduce the asset to an amount considered more likely than not to be realized. Unlike IFRS, deferred tax assets and liabilities are separated into current and non-current based on the nature of assets and liabilities causing a temporary difference and reported as such in the balance sheet if an entity presents a classified balance sheet. |
| | A deferred tax liability (asset) is recognized for the difference in tax bases between jurisdictions as a result of an intra-group transfer of assets. | Unlike IFRS, a deferred tax liability (asset) is not recognized for the difference in tax bases between jurisdictions as a result of an intra-group transfer of assets. |
| | Unlike U.S. GAAP, IFRS does not specifically address uncertain tax positions. In certain circumstances where the uncertain tax positions lead to future expected payments to settle, they may be recognized as part of current tax liabilities using a probability weighted or best estimate approach. | U.S. GAAP has specific guidance for accounting for and disclosure of uncertain tax positions which requires that they be measured using a cumulative probability approach. Uncertain tax positions are reported in other non-current liabilities. |
| ***Financial Instruments*** | A derivative is defined as a financial instrument (1) whose value changes in response to changes in a specified underlying security, (2) requires little or no net investment and (3) is settled at a future date. | Derivatives are defined similarly to IFRS; however, U.S. GAAP also requires that the derivative contract provide for net settlement. |
| | Evaluating whether a transfer of a financial asset qualifies for derecognition requires consideration of whether substantially all risks and rewards and, in certain circumstances control, has been transferred. | The derecognition model for transfers of financial assets focuses on surrendering control over the transferred assets. The transferor has surrendered control over transferred assets only if certain conditions are met. |
| | IFRS does not allow the use of the short-cut method and, therefore, requires for all hedge accounting relationships that an entity demonstrate at inception and in subsequent periods that the hedge is expected to be highly effective. | Unlike IFRS, U.S. GAAP provides for the use of a short-cut (effectiveness is assumed) method for applying hedge accounting when certain conditions are met. |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| | An embedded derivative is separated from the host contract if it is determined that the embedded derivative is not closely related to the host contract. An evaluation of the nature (i.e. economic risks and characteristics) of the host contract and the underlying derivative must be made. | Like IFRS, determining whether an embedded derivative is clearly and closely related to the host contract requires the nature of the host contract and the underlying derivative to be considered. However, the U.S. GAAP guidance for the term clearly and closely related differs from the IFRS guidance and as a result, certain embedded derivatives recognized under IFRS may not be recognized under U.S. GAAP. |
| ***Inventories*** | Inventories are measured at the lower of cost and net realizable value. | Inventories are measured at the lower of cost and market. |
| | The cost of inventory is determined using the FIFO (first-in, first-out) or weighted average cost method. The LIFO (last-in, first-out) method is prohibited. The same cost formula is applied to all inventories having a similar nature and use to the entity. | Unlike IFRS, the cost of inventory can be determined using the LIFO method in addition to the FIFO or weighted average method. The same cost formula need not be applied to all inventories having a similar nature and use to the entity. |
| | Net realizable value is the estimated selling price less the estimated costs of completion and sale. | Net realizable value is the estimated selling price less the estimated costs of completion and sale. Unlike IFRS, market is replacement cost limited by net realizable value (ceiling) and net realizable value less a normal profit margin (floor). |
| | If the net realizable value of an item that has been written down increases subsequently, then the write-down is reversed. | Under U.S. GAAP, a write-down of inventory to market is not reversed for subsequent recoveries in value. |
| ***Provisions*** | Provisions relating to present obligations from past events are recorded if an outflow of resources is probable and can be reliably estimated. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. | Specific rules exist for the recognition of employee termination costs, environmental liabilities and loss contingencies. Unlike IFRS, if a range of estimates is present and no amount in the range is more likely than any other amount in the range, the minimum (rather than the mid-point) amount is used to measure the liability. Unlike IFRS, a provision is only discounted when the timing of the cash flows is fixed. Differences may arise in the selection of the discount rate, particularly in the area of asset retirement obligations. |
| | The anticipated cash flows are discounted using a pre-tax discount rate (or rates) that reflect(s) current market assessments of the time value of money and those risks specific to the liability if the effect is material. If a range of estimates is predicted and no amount in the range is more likely than any other amount in the range, the mid-point of the range is used to measure the liability. | |

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| Topic | IFRS | U.S. GAAP |
|---|---|---|
| ***Debt Issuance Costs*** | Debt issuance costs are capitalized and presented in the balance sheet as a deduction from the carrying value of the borrowings. The deferred costs are amortized to the income statement using the effective interest method. | Like IFRS, debt issuance costs are capitalized. However, unlike IFRS, debt issuance costs are classified on the balance sheet as an asset. Like IFRS, the deferred costs are amortized to the income statement using the effective interest method. |

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## Summary Historical and Pro Forma Combined Financial Information

The following tables set forth (i) summary unaudited RGHL Combined Group pro forma financial information, as of the dates and for the periods indicated and (ii) summary historical RGHL Group financial information, as of the dates and for the periods indicated.

RGHL Combined Group refers to RGHL and its consolidated subsidiaries, including Graham Packaging and Dopaco, as a combined company following the consummation of, and after giving pro forma effect to, the November 2012 Refinancing Transactions, the September 2012 Refinancing Transactions, the February 2012 Refinancing Transactions, the Graham Packaging Transaction, the Dopaco Acquisition, and the 2011 Refinancing Transactions. For information regarding these transactions, see The Transactions.

The summary historical and pro forma combined financial information should be read together with the respective financial statements and the notes thereto, along with the Glossary of Selected Terms, Summary Presentation of Financial Information, Risk Factors, Capitalization, Unaudited Pro Forma Combined Financial Information, Selected Historical Consolidated and Historical Combined Financial Data, and Operating and Financial Review and Prospects. You should regard the summary financial information below only as an introduction and should base your investment decision on a review of the entire prospectus.

**RGHL Group**

On January 31, 2007, Rank Group commenced the acquisition of IP s Bev Pack Business. This process occurred in stages from January 31, 2007 to April 30, 2007. See The Transactions The Initial Evergreen Acquisition.

On May 4, 2010, Rank Group s investment in Evergreen (which was IP s Bev Pack Business prior to the Initial Evergreen Acquisition) was acquired by the RGHL Group. See The Transactions The Evergreen Transaction. As a result of the Evergreen Transaction, we refer to IP s Bev Pack Business prior to January 31, 2007 as the RGHL Group Predecessor. Prior to the Initial Evergreen Acquisition, the RGHL Group had no significant operations.

RGHL acquired SIG Combibloc on May 11, 2007 pursuant to a public tender offer and a subsequent squeeze-out of minority shareholders that was completed on November 7, 2007. See The Transactions The SIG Transaction.

In 2008, as part of the Reynolds Acquisition, certain affiliated entities that are ultimately owned by our strategic owner, Mr. Graeme Hart, acquired the closures, consumer products and food and flexible packaging business of Alcoa that became our Reynolds consumer products business and Closures segment following the RGHL Transaction and our Reynolds foodservice packaging business following the Reynolds Foodservice Acquisition. See The Transactions The Reynolds Acquisition. On November 5, 2009, RGHL acquired Closures and the Reynolds consumer products business from such affiliated entities. See The Transactions The RGHL Transaction. Separately on September 1, 2010, RGHL acquired the Reynolds foodservice packaging business from such affiliated entities. See The Transactions The Reynolds Foodservice Acquisition.

On November 16, 2010, RGHL acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion. See The Transactions The Pactiv Transaction.

On May 2, 2011, RGHL acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. See The Transactions The Dopaco Acquisition.

On September 8, 2011, RGHL acquired Graham Company for a total enterprise value, including net debt, of $4.5 billion. See The Transactions The Graham Packaging Transaction.

Our Evergreen, SIG and Closures segments and our Reynolds consumer products and Reynolds foodservice packaging businesses, which are part of our Reynolds Consumer Products and Pactiv Foodservice segments, respectively, have been under common ownership and control through entities ultimately 100% owned by

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Mr. Graeme Hart, our strategic owner, for four years, but they have not been owned, directly or indirectly, by a single company that consolidated their financial results or operated them as a single combined business for that period of time. We have determined that the Evergreen Acquisition, the RGHL Acquisition and the Reynolds Foodservice Acquisition constituted business combinations of entities under common control. IFRS is silent on the accounting required for business combinations involving entities that are under common control, but requires that entities develop and consistently apply an accounting policy for such transactions. Accordingly, we have chosen to account for RGHL s acquisitions of Evergreen, Closures and the Reynolds consumer products and Reynolds foodservice packaging businesses, which were acquired from entities under the common control of our ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities in the business acquired. The excess of the purchase price over the consolidated carrying value of net assets acquired is recognized directly in equity. No additional goodwill separately arose as a result of the Evergreen Transaction, the RGHL Transaction or the Reynolds Foodservice Acquisition.

We account for business combinations under common control from the date Mr. Graeme Hart, our strategic owner and sole ultimate shareholder, originally obtained control of each of the businesses presented.

We account for business combinations, other than business combinations under common control, using the purchase method of accounting. We have accounted for the Pactiv Acquisition, the Dopaco Acquisition and the Graham Packaging Acquisition using the purchase method of accounting.

The summary historical financial information of the RGHL Group as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 has been derived from the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus. The summary historical financial data of the RGHL Group as of September 30, 2012 and for the nine month periods ended September 30, 2012 and 2011 has been derived from the RGHL Group s interim unaudited condensed financial statements, included elsewhere in this prospectus.

**Pro Forma Combined Financial Information**

The summary unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Dopaco and Graham Packaging, each of which is included elsewhere in this prospectus, as adjusted to illustrate the impact of the November 2012 Refinancing Transactions, the September 2012 Refinancing Transactions, the February 2012 Refinancing Transactions, the 2011 Refinancing Transactions, the Dopaco Acquisition and the Graham Packaging Transaction (collectively, the Pro Forma Transactions ). For further information regarding the Pro Forma Transactions, see The Transactions. The unaudited pro forma combined income statements give effect to the Pro Forma Transactions as if they had been completed as of January 1, 2011. The unaudited pro forma combined balance sheet gives effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions as if they had been completed as of September 30, 2012.

The unaudited pro forma adjustments are based upon current available information and assumptions that we believe to be reasonable. The pro forma adjustments and related assumptions are described in the accompanying notes presented on the following pages.

**The summary historical financial and pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the RGHL Group or the pro forma combined group would have reported had the Pro Forma Transactions been completed as of the dates set forth in the unaudited pro forma combined financial information and is not necessarily indicative of our future consolidated results of operations or financial position. Our actual results may differ significantly from those reflected in the unaudited pro forma combined financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. As a result,**

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**the unaudited pro forma combined financial information does not purport to be indicative of what our financial condition or results of operations would have been had the Pro Forma Transactions been completed on the applicable dates of the unaudited pro forma combined financial information.**

The unaudited pro forma combined income statements (i) do not include adjustments for any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Dopaco Acquisition or the Graham Packaging Acquisition or as a result of any of the other acquisitions we have completed, and (ii) do not include non-recurring items directly related to the Pro Forma Transactions. In addition, the unaudited pro forma combined financial information does not give effect to any of the adjustments made to derive the RGHL Combined Group Adjusted EBITDA, which are each described under Summary Summary Historical and Pro Forma Combined Financial Information.

We have adjusted the financial data of Dopaco and Graham Packaging for the periods presented by applying IFRS in all material respects to such financial data.

**Summary Unaudited RGHL Combined Group Pro Forma Financial Information**

| | RGHL Combined Group(1) | | |
|---|---|---|---|
| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 (IFRS) | For the Nine Months Ended September 30, 2012 |
| | (In $ million) | | |
| **Income Statement Data** | | | |
| **Revenue** | **$ 14,068** | **$ 10,558** | **$ 10,357** |
| Cost of sales | (11,740) | (8,845) | (8,429) |
| **Gross profit** | **2,328** | **1,713** | **1,928** |
| Other income | 87 | 68 | 128 |
| Selling, marketing and distribution expenses | (424) | (343) | (264) |
| General and administration expenses | (678) | (488) | (633) |
| Other expenses | (257) | (213) | (147) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | 17 | 14 | 19 |
| **Profit (loss) from operating activities** | **1,073** | **751** | **1,031** |
| Financial income | 23 | 33 | 97 |
| Financial expenses | (1,554) | (1,190) | (1,037) |
| **Net financial expenses** | **(1,531)** | **(1,157)** | **(940)** |
| **Profit (loss) before income tax** | **(458)** | **(406)** | **91** |
| Income tax benefit (expense) | 25 | 27 | 29 |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (433)** | **$ (379)** | **$ 120** |

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| | RGHL Combined Group as of September 30, 2012 (IFRS) (In $ million) |
|---|---|
| **Balance Sheet Data** | |
| Cash and cash equivalents | $ 1,434 |
| Trade and other receivables current | 1,579 |
| Inventories | 1,736 |
| Property, plant and equipment | 4,368 |
| Investment property | 32 |
| Intangibles | 12,311 |
| Other assets | 1,033 |
| **Total assets** | **22,493** |
| Trade and other payables current | 1,886 |
| Borrowings current | 625 |
| Borrowings non-current | 17,351 |
| Other liabilities | 2,882 |
| **Total liabilities** | **22,744** |
| **Net assets (liabilities)** | **$ (251)** |

(1) Refer to Unaudited Pro Forma Combined Financial Information for details regarding the basis of preparation and description of the pro forma adjustments.

| | RGHL Combined Group(1) | | |
|---|---|---|---|
| | For the Year Ended December 31, | For the Nine Months Ended September 30, | |
| | 2011 | 2011 | 2012 |
| | (IFRS) | | |
| | (In $ million except ratios) | | |
| **Pro Forma Other Financial Data:** | | | |
| Total Capital Expenditure | $ 634 | $ 461 | $ 441 |
| RGHL Combined Group EBITDA(2) | 2,306 | 1,666 | 1,887 |
| RGHL Combined Group Adjusted EBITDA(3) | 2,529 | 1,861 | 1,916 |
| Pro Forma Ratio of earnings to fixed charges(4) | | | 1.1 |

(1) Refer to Unaudited Pro Forma Combined Financial Information for details regarding the basis of preparation and description of the pro forma adjustments.

(2) RGHL Combined Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a measure of our financial condition, liquidity or profitability and should not be considered as a substitute for profit (loss) from continuing operations for the period, operating profit or any other performance measures derived in accordance with IFRS or as a substitute for cash flow from operating

activities as a measure of our liquidity in accordance with IFRS. Additionally, EBITDA is not intended to be a measure of free cash flow, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments and capital expenditures. We believe that the inclusion of EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA identically, this presentation of the RGHL Combined Group EBITDA may not be comparable to other similarly titled measures used by other companies. The following table reconciles the RGHL Combined Group EBITDA calculation presented above to the RGHL Combined Group profit (loss) from continuing operations for the periods presented:

| | RGHL Combined Group(1) | | |
|---|---|---|---|
| | For the Year Ended December 31, | For the Nine Months Ended September 30, | |
| | 2011 | 2011 | 2012 |
| | (IFRS) (In $ million) | | |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (433)** | **$ (379)** | **$ 120** |
| Income tax (benefit) expense | (25) | (27) | (29) |
| Net financial expenses | 1,531 | 1,157 | 940 |
| Depreciation and amortization | 1,233 | 915 | 856 |
| **RGHL Combined Group EBITDA(2)** | **$ 2,306** | **$ 1,666** | **$ 1,887** |

(3) RGHL Combined Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Combined Group EBITDA, 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. Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the periods determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See Risk Factors. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate Adjusted EBITDA identically, this presentation of Adjusted EBITDA may not be comparable to the similarly titled measures of other companies. The

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following table reconciles the RGHL Combined Group EBITDA calculation presented above to the RGHL Combined Group Adjusted EBITDA for the periods presented:

| | RGHL Combined Group | | |
|---|---|---|---|
| | For the Year Ended December 31, | For the Nine Months Ended September 30, | |
| | 2011 | 2011 (IFRS) | 2012 |
| | | (In $ million) | |
| **RGHL Combined Group EBITDA** | **$ 2,306** | **$ 1,666** | **$ 1,887** |
| Asset impairment charges(a) | 15 | 13 | 26 |
| Business acquisition and integration costs(b) | 59 | 30 | 37 |
| Business interruption costs (net of recoveries)(c) | 2 | 2 | 1 |
| Equity method profit not distributed in cash(d) | (10) | (9) | (12) |
| Fixed asset write-down(e) | | | 10 |
| Gain on modification of retiree medical plan benefits(f) | (25) | (18) | |
| Gain on sale of businesses(g) | (5) | (5) | (66) |
| Impact of purchase price accounting on inventories(h) | 33 | 32 | |
| ITR agreements(i) | 13 | 13 | |
| Manufacturing plant fire, net of insurance recoveries(j) | | | 11 |
| Non-cash inventory charge(k) | 3 | 3 | 9 |
| Non-cash pension income(l) | (42) | (31) | (37) |
| Operational process engineering related consultancy costs(m) | 42 | 34 | 18 |
| Restructuring costs(n) | 93 | 85 | 48 |
| SEC registration costs(o) | 6 | 2 | 7 |
| Unrealized (gain) loss on derivatives(p) | 26 | 26 | (17) |
| VAT and customs duties on historical imports(q) | 1 | 6 | (1) |
| Other(r) | 12 | 12 | (5) |
| **RGHL Combined Group Adjusted EBITDA** | **$ 2,529** | **$ 1,861** | **$ 1,916** |

(a) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount in the RGHL Group and Graham Packaging.

(b) Reflects costs incurred by the RGHL Group related to business acquisitions and integrations.

(c) Reflects business interruption costs (net of insurance recoveries) as a result of natural disasters at various plants.

(d) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash.

(e) Reflects the adjustment to correct certain of RGHL Group s fixed assets.

(f) Represents the gain from modification of retiree medical plan benefits.

(g) For the year ended December 31, 2011, the gain on sale of business was $5 million, on disposal of one of Closures European businesses. For the nine months ended September 30, 2012, the gain on sale of business was $66 million on disposal of Pactiv Foodservice s laminating operations in Louisville, Kentucky.

(h) Reflects the fair value adjustment to inventories as a result of the purchase price accounting exercise against cost of sales.

(i) Reflects amounts in respect of the ITR agreements, which were accrued for by Graham Packaging prior to and unrelated to the consummation of the Graham Packaging Acquisition.

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(j) Reflects business interruption costs at Pactiv Foodservice in 2012 as a result of fire damage at its manufacturing plant in Moorehead, Minnesota.

(k) Reflects non-cash charges related to the alignment of inventory standard costs at the Pactiv Foodservice and Reynolds Consumer Products segments as a result of the Pactiv Acquisition.

(l) Reflects non-cash pension income included in the results of operations.

(m) Reflects consulting fees incurred at our SIG, Reynolds Consumer Products and Pactiv Foodservice segments to optimize business processes, including the purchase of raw material and other inputs.

(n) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures.

(o) Reflects costs incurred by the RGHL Group related to the SEC registration process.

(p) Reflects the adjustments for unrealized gains or losses on derivatives.

(q) Reflects customs duties and VAT on historical imports (net of provision reductions).

(r) Other items include Graham Packaging reorganization costs, Dopaco employee benefit plan modification costs, insurance claims and proceeds received from patent use claims.

(4) For purposes of calculating the pro forma ratio of earnings to fixed charges, earnings represent income before income taxes from continuing operations before adjustments for minority interests and equity from affiliates plus fixed charges and distributed income of equity investees. Fixed charges include the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. This ratio does not have the same definition as any similarly titled ratio with respect to the notes. For certain of the periods presented, the ratio coverage was less than 1.0x. The RGHL Combined Group would have needed to generate additional earnings of $473 million and $418 million for the year ended December 31, 2011 and for the nine months ended September 30, 2011, respectively, to achieve a coverage of 1.0x.

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**Summary Historical RGHL Group Financial Information**

| | RGHL Group | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | |
| | 2009( ) | 2010(* ) | 2011(** ) (IFRS) | 2011(*** ) | 2012(**** ) |
| | | | (In $ million) | | |
| **Income Statement** | | | | | |
| **Revenue** | **$ 5,910** | **$ 6,774** | **$ 11,789** | **$ 8,279** | **$ 10,357** |
| Cost of sales | (4,691) | (5,524) | (9,725) | (6,830) | (8,429) |
| **Gross profit** | **1,219** | **1,250** | **2,064** | **1,449** | **1,928** |
| Other income | 201 | 102 | 87 | 68 | 128 |
| Selling, marketing and distribution expenses | (211) | (231) | (347) | (266) | (264) |
| General and administration expenses | (366) | (392) | (628) | (438) | (633) |
| Other expenses | (96) | (80) | (268) | (224) | (147) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | 11 | 18 | 17 | 14 | 19 |
| **Profit (loss) from operating activities** | **758** | **667** | **925** | **603** | **1,031** |
| Financial income | 21 | 66 | 22 | 32 | 60 |
| Financial expenses | (513) | (752) | (1,420) | (1,086) | (1,304) |
| **Net financial income (expenses)** | **(492)** | **(686)** | **(1,398)** | **(1,054)** | **(1,244)** |
| **Profit (loss) before income tax** | **266** | **(19)** | **(473)** | **(451)** | **(213)** |
| Income tax benefit (expense) | (149) | (78) | 56 | 64 | 125 |
| **Profit (loss) from continuing operations for the period** | **$ 117** | **$ (97)** | **$ (417)** | **$ (387)** | **$ (88)** |

* Represents a full year of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include operations of our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

*** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments and includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

**** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

| | RGHL Group | | | |
|---|---|---|---|---|
| | As of December 31, | | | As of September 30, |
| | 2009(* ) | 2010(** ) | 2011(*** ) | 2012(*** ) |
| | (IFRS) | | | |
| | (In $ million) | | | |
| **Balance Sheet Data** | | | | |
| Cash and cash equivalents | $ 516 | $ 664 | $ 597 | $ 1,807 |
| Trade and other receivables | 683 | 1,150 | 1,509 | 1,579 |
| Inventories | 756 | 1,281 | 1,764 | 1,736 |
| Property, plant and equipment | 1,825 | 3,266 | 4,546 | 4,368 |
| Investment property | 76 | 68 | 29 | 32 |
| Intangible assets | 3,279 | 8,748 | 12,545 | 12,311 |
| Other assets | 627 | 799 | 921 | 1,042 |
| **Total assets** | **7,762** | **15,976** | **21,911** | **22,875** |
| Trade and other payables | 761 | 1,246 | 1,760 | 1,886 |
| Borrowings current | 112 | 141 | 521 | 393 |
| Borrowings non-current | 4,842 | 11,701 | 16,625 | 17,922 |
| Other liabilities | 943 | 2,624 | 3,186 | 2,885 |
| **Total liabilities** | **6,658** | **15,712** | **22,092** | **23,086** |
| **Net assets (liabilities)** | **$ 1,104** | **$ 264** | **$ (181)** | **$ (211)** |

* Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments, included in the RGHL Group s annual audited financial statements which are not included elsewhere in this prospectus.

** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include balance sheet data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively.

*** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

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| | RGHL Group | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | |
| | 2009( ) | 2010(* ) | 2011(** ) (IFRS) | 2011(*** ) | 2012(**** ) |
| | (In $ million except ratios) | | | | |
| **Other Financial Data** | | | | | |
| Total capital expenditures | $ 292 | $ 337 | $ 520 | $ 347 | $ 441 |
| RGHL Group EBITDA(1) | 1,260 | 1,171 | 1,897 | 1,257 | 1,887 |
| RGHL Group Adjusted EBITDA(2) | 1,130 | 1,251 | 2,124 | 1,456 | 1,916 |
| Ratio of earnings to fixed charges(3) | 1.6 | | | | |
| **Cash Flow Statement Data** | | | | | |
| Net cash flows from (used in) operating activities | 770 | 383 | 443 | 163 | 531 |
| Net cash flows from (used in) investing activities | (135) | (4,588) | (2,502) | (2,388) | (339) |
| Net cash flows from (used in) financing activities | (501) | 4,345 | 2,006 | 2,608 | 998 |

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

*** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments and includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

**** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

The following table reconciles the RGHL Group EBITDA calculations presented above to our profit (loss) from continuing operations for the periods presented:

| | RGHL Group | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | |
| | 2009 | 2010* | 2011(** ) (IFRS) | 2011(*** ) | 2012(**** ) |
| | (In $ million) | | | | |
| **Profit (loss) from continuing operations** | **$ 117** | **$ (97)** | **$ (417)** | **$ (387)** | **$ (88)** |
| Income tax (benefit) expense | 149 | 78 | (56) | (64) | (125) |
| Net financial expenses | 492 | 686 | 1,398 | 1,054 | 1,244 |
| Depreciation and amortization | 502 | 504 | 972 | 654 | 856 |

| | | | | | |
|---|---|---|---|---|---|
| **RGHL Group EBITDA(1)** | **$ 1,260** | **$ 1,171** | **$ 1,897** | **$ 1,257** | **$ 1,887** |

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

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** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

*** Includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

**** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financials statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

(1) RGHL Group EBITDA is defined as profit (loss) from continuing operations before income tax expenses, net financial expenses, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a measure of our financial condition, liquidity or profitability and should not be considered as a substitute for profit (loss) for the year, operating profit or any other performance measures derived in accordance with IFRS or as a substitute for cash flow from operating activities as a measure of our liquidity in accordance with IFRS. Additionally, EBITDA is not intended to be a measure of free cash flow, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA identically, this presentation of the RGHL Group EBITDA may not be comparable to other similarly titled measures of other companies.

(2) RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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.

Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See Risk Factors. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. The following table reconciles the RGHL Group EBITDA calculation presented above to RGHL Group Adjusted EBITDA for the periods presented:

| | RGHL Group | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | Nine Months Ended September 30, | |
| | 2009( ) | 2010(* ) | 2011(** ) (IFRS) | 2011(*** ) | 2012(**** ) |
| | (In $ million) | | | | |
| **RGHL Group EBITDA** | **$ 1,260** | **$ 1,171** | **$ 1,897** | **$ 1,257** | **$ 1,887** |
| Asset impairment charges, net of reversals(a) | 13 | 28 | 12 | 10 | 26 |
| Black Liquor Credit(b) | (214) | (10) | | | |
| Business acquisition and integration costs(c) | | 12 | 85 | 56 | 37 |
| Business interruption costs (net of recoveries)(d) | 5 | 2 | 2 | 2 | 1 |
| Change of control payments(e) | | | 12 | 12 | |
| Closure Systems International Americas, Inc. gain on acquisition(f) | | (10) | | | |
| Elimination of the effect of the historical Reynolds Consumer hedging policy(g) | 95 | | | | |
| Equity method profit not distributed in cash(h) | (10) | (14) | (10) | (9) | (12) |
| Fixed asset write-down(i) | | | | | 10 |
| Gain from modification of retiree medical plan benefits(j) | | | (25) | (18) | |
| Gain on sale of businesses and investment properties(k) | | (16) | (5) | (5) | (66) |
| Impact of purchase price accounting on inventories(l) | | 63 | 33 | 32 | |
| Manufacturing plant fire, net of insurance recoveries(m) | | | | | 11 |
| Non-cash inventory charge(n) | | | 3 | 3 | 9 |
| Non-cash pension income(o) | | (5) | (42) | (31) | (37) |
| Operational process engineering related consultancy costs(p) | 13 | 8 | 42 | 34 | 18 |
| Related party management fees(q) | 3 | 1 | | | |
| Restructuring costs(r) | 58 | 9 | 88 | 80 | 48 |
| SEC registration costs(s) | | | 6 | 2 | 7 |
| Termination of supply agreement(t) | | 7 | | | |
| Transition costs(u) | 24 | | | | |
| Unrealized (gain) loss on derivatives(v) | (129) | (3) | 26 | 26 | (17) |
| VAT and customs duties on historical imports(w) | 3 | 10 | 1 | 6 | (1) |
| Other(x) | 9 | (2) | (1) | (1) | (5) |
| **RGHL Group Adjusted EBITDA** | **$ 1,130** | **$ 1,251** | **$ 2,124** | **$ 1,456** | **$ 1,916** |

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

*** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments and includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

**** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

(a) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount, predominantly in relation to the sale of a plant in Venezuela at Evergreen in 2009, impairment charges relating to the write-down of property, plant and equipment and intangible assets to their recoverable amount in relation to the sale or closure of certain of Pactiv Foodservice s operations in 2010 and 2011, impairment charges relating to the write-down of investment properties at SIG in 2011, and impairment charges at Pactiv Foodservice and Graham Packaging during the nine month period ended September 30, 2012.

(b) Reflects tax credits, net of related expenses, received for the use of alternative fuel mixtures to produce energy to operate the Evergreen business during the 2009 and 2010 years. See Operating and Financial Review and Prospects.

(c) Reflects costs incurred by the RGHL Group related to business acquisitions and integrations.

(d) Reflects business interruption costs (net of insurance recoveries) as a result of natural disasters at various plants.

(e) Reflects change of control payments to former Graham Packaging employees.

(f) Reflects the difference between the net assets acquired and consideration paid on the acquisition of Closure Systems International Americas Inc. (see note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011).

(g) Reflects the impact of the elimination of the historical hedging policy in 2009.

(h) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash, as disclosed in the reconciliation of the profit for the period with the net cash from operating activities of the RGHL Group s audited financial statements as of and for the years ended December 31, 2009, 2010 and 2011 and the RGHL Group s interim unaudited condensed financial statements as of September 30, 2012 and for the nine month periods ended September 30, 2011 and 2012.

(i) Reflects the adjustment to correct certain of the RGHL Group s fixed assets.

(j) Represents the gain from modification of retiree medical plan benefits.

(k) Reflects a total gain on sale of businesses of $16 million for the year ended December 31, 2010, comprised of $8 million on disposal of the Reynolds foodservice packaging business s interest in its envelope window film operations, $6 million on other business disposals and the gain on sale of investment properties of $2 million at SIG. For the year ended December 31, 2011, the gain on sale of business was $5 million on disposal of one of Closures European businesses. For the nine months ended September 30, 2012, the gain on sale of business was $66 million on disposal of Pactiv Foodservice s laminating operations in Louisville, Kentucky.

(l) Reflects the fair value adjustment to inventories as a result of the purchase price accounting exercise against cost of sales.

(m) Reflects business interruption costs at Pactiv Foodservice in 2012 as a result of fire damage at its manufacturing plant in Moorhead, Minnesota.

(n) Reflects non-cash charges related to the alignment of inventory standard costs at the Pactiv Foodservice and Reynolds Consumer Products segments as a result of the Pactiv Acquisition.

(o) Reflects non-cash pension expense or income included in the results of operations.

(p) Reflects consulting fees incurred at our Evergreen, Reynolds Consumer Products and Pactiv Foodservice segments to optimize business processes, including the purchase of raw material and other inputs.

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(q) Reflects an expense for management fees relating to executives of Evergreen.

(r) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures, as disclosed in note 10 of the RGHL Group s audited financial statements as of December 31, 2011 and note 8 of the RGHL Group s interim unaudited condensed financial statements as of September 30, 2012 and for the nine month periods ended September 30, 2011 and 2012.

(s) Reflects costs incurred by the RGHL Group related to the SEC registration process.

(t) Reflects amounts paid to settle the termination of a supply contract at Pactiv Foodservice.

(u) Reflects incremental costs incurred by the RGHL Group associated with transitioning the Reynolds consumer products business from Alcoa, including costs related to IT systems and duplicative shared services during the transition period.

(v) Reflects the adjustments for unrealized gains or losses on derivatives.

(w) Reflects customs duties and VAT on historical imports.

(x) Other items include insurance claims, a loss on sale of a business, plant realignment costs, the write-off of certain receivables, and proceeds received from patent use claims.

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings represent income before income taxes from continuing operations before adjustments for minority interests and equity from affiliates plus fixed charges and distributed income of equity investees. Fixed charges include the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. This ratio does not have the same definition as any similarly titled ratio with respect to the notes. For certain periods presented where the ratio coverage was less than 1.0x, the RGHL Group would have needed to generate additional earnings of $34 million, $488 million, $463 million and $229 million for the years ended December 31, 2010 and 2011 and for the nine months ended September 30, 2011 and 2012, respectively, to achieve a coverage of 1.0x.

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## RISK FACTORS

*You should carefully consider the following risk factors, in addition to the other information presented in this prospectus, including all the financial statements and related notes, in evaluating our business and an investment in the notes. Any of the following risks, as well as other risks and uncertainties, could harm our business and financial results and cause the value of the notes to decline, which in turn could cause you to lose all or part of your investment. The risks below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial also may materially and adversely impact our business, financial condition or results of operations.*

### Risks Related to Our Business

***The RGHL Group s lack of an operating history as a single company combining all of the RGHL Group s segments, including the businesses of Dopaco and Graham Packaging, and the challenge of integrating previously independent businesses make evaluating our business and our future financial prospects difficult.***

The RGHL Group s lack of an operating history as a single company combining all of the RGHL Group s segments, including the businesses of Pactiv, Dopaco and Graham Packaging, makes evaluating our business and our future financial prospects difficult. Our potential for future business success and operating profitability must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently organized or combined companies.

In this prospectus, we have presented financial statements and financial information of the RGHL Group, Pactiv, Dopaco and Graham Packaging.

Although the financial statements of the RGHL Group included in this prospectus reflect the operations of our SIG, Evergreen and Closures segments and the operations of our Reynolds foodservice packaging business and Reynolds consumer products business, which are part of our Pactiv Foodservice and Reynolds Consumer Products segments, respectively, we did not operate these businesses during all of the periods presented, even though they are presented as combined in the RGHL Group s financial statements. These businesses have been under common ownership and control through entities ultimately 100% owned by Mr. Graeme Hart for several years. However, these businesses were not owned, directly or indirectly, by a single company that consolidated their financial results or managed them on a combined basis prior to the completion of the Reynolds Foodservice Acquisition on September 1, 2010.

In addition, the RGHL Group s financial statements reflect the operations of our Pactiv foodservice packaging and Hefty consumer products businesses only from November 16, 2010.

We acquired Dopaco on May 2, 2011 and, as a result, its results are only reflected in the RGHL Group s financial statements from May 2, 2011.

We acquired Graham Packaging on September 8, 2011 and, as a result, its results are only reflected in the RGHL Group s financial statements from September 8, 2011.

***Our unaudited pro forma combined financial information is not intended to reflect what our actual results of operations and financial condition would have been had the RGHL Group been a consolidated company with Pactiv, Dopaco and Graham Packaging for the periods presented, and therefore these results may not be indicative of our future operating performance.***

Because we acquired Graham Packaging on September 8, 2011, Dopaco on May 2, 2011 and Pactiv on November 16, 2010, our historical financial information does not consolidate the financial results for the RGHL Group, Graham Packaging, Dopaco and Pactiv for all the periods presented. The financial results of Graham Packaging, Dopaco and Pactiv are only reflected in the historical financial statements of the RGHL Group from the dates they were acquired by RGHL. The historical financial statements consist of the financial statements of the RGHL Group, the separate financial statements of Pactiv for periods prior to the Pactiv Transaction, the separate financial statements for Dopaco prior to the Dopaco Acquisition and the separate financial statements and financial information for Graham Packaging prior to the Graham Packaging Acquisition, each included elsewhere in this prospectus. In addition, Pactiv s, Dopaco s and Graham Packaging s historical financial statements included elsewhere in this prospectus are presented in accordance with U.S. GAAP, which differs in certain respects from IFRS, the accounting principles used by the RGHL Group.

The unaudited pro forma combined financial information presented in this prospectus is for illustrative purposes only and is not intended to, and does not purport to, represent what our actual results or financial condition would have been if each of the Pro Forma Transactions had occurred on the relevant dates. The unaudited pro forma combined financial information has been prepared using the purchase method of accounting, pursuant to which the purchase price in connection with acquisitions is required to be allocated to the

underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the acquisition, with any excess purchase price allocated to goodwill.

In addition, the RGHL Group incurred costs associated with completing the Graham Packaging Acquisition and the Pactiv Acquisition. We incurred approximately $130 million of additional cash outlays to achieve the expected cost savings and synergies from the Pactiv Acquisition. We expect to incur approximately $75 million of cash outlays by the end of 2013 to achieve the expected cost savings and synergies from the Graham Packaging Acquisition of which we have incurred $36 million from the date of the acquisition to September 30, 2012. We expect to incur approximately $22 million of cash outlays by the end of 2012 to achieve the expected costs savings and synergies from the Dopaco Acquisition, of which we have incurred $21 million from the date of acquisition to September 30, 2012. Because these future cash outlays are not recurring and certain costs are capital in nature, they are not reflected in the unaudited pro forma combined income statements included elsewhere in this prospectus. Accordingly, the historical and pro forma financial information included in this prospectus does not reflect what the RGHL Group s results of operations and financial condition would have been had the RGHL Group been a consolidated entity with Pactiv, Dopaco and Graham Packaging during all periods presented, or what our results of operations and financial condition will be in the future.

Other important information about the presentation of our financial information is included under the heading Summary Presentation of Financial Information. Although EBITDA, along with Adjusted EBITDA, as the case may be, is derived from the financial statements of the RGHL Group, Pactiv, Dopaco and Graham Packaging, the calculation of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and may differ materially from actual results. For example, raw materials pricing, synergies, cost savings and the determination of foreign currency conversions contain significant estimates and assumptions. Although we believe these estimates and assumptions are reasonable and correct, investors should not place undue reliance upon Adjusted EBITDA as an indicator of current and future performance given how it is calculated and the possibility that actual results may differ from the underlying estimates and assumptions.

***Our business and financial performance may be harmed by future increases in raw material, energy and freight costs.***

Raw material costs historically have represented a significant portion of our cost of sales, so changes in raw material prices may impact our results of operations. The primary raw materials used to manufacture our products are resin (particularly high-density polyethylene, or HDPE, polypropylene, or PP, polyethylene, or PE, polystyrene, or PS, and polyethylene terephthalate, or PET ), aluminum, fiber (principally raw wood and wood chips) and paperboard (principally cartonboard and cupstock). The prices of our raw materials, particularly resin, have fluctuated significantly in recent years. See Operating and Financial Review and Prospects Key Factors Influencing our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Fluctuations in raw material costs can adversely affect our business because most of our purchases of raw materials are based on negotiated rates with suppliers, which are tied to published indices. While we sometimes enter into hedging agreements for some of our raw materials and energy sources, such as aluminum, resins and natural gas, to minimize the impact of such fluctuations, we generally have not entered into hedging arrangements for other raw materials and energy sources. In addition, we typically do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials. Although our

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revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by each of our segments other than our SIG segment and branded products, which represent the majority of aluminum foil products sold by our Reynolds Consumer Products segment, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Even where our contracts provide for price adjustments based on changes in raw material costs, such adjustments are not immediate and may not fully offset our increased costs. We also use price increases, where possible, to mitigate the effect of raw material cost increases for customers that are not subject to raw material cost pass-through agreements. However, there is no assurance that increases in raw material costs may be covered by increases in pricing. As a result, we often are not able to pass on price increases to our customers on a timely basis, if at all, and consequently do not always recover the lost margin resulting from the price increases. Moreover, an increase in the selling prices for the products we produce resulting from a pass-through of increased raw material costs or freight costs could have an adverse impact on the volume of units we sell and decrease our revenue.

In addition to our dependence on primary raw materials, we are also dependent on different sources of energy for our operations, such as coal, fuel oil, electricity and natural gas. In particular, our Evergreen segment is susceptible to price fluctuations in natural gas, as it incurs significant natural gas costs to convert raw wood and wood chips to paper products and liquid packaging board. Historically, we have been able to mitigate the effect of higher energy-related costs with productivity improvements and other cost reductions. However, there is no assurance that we can sustain the level of productivity improvements and cost reduction measures in the future. In addition, if some of our large contracts were to be terminated for any reason or not renewed upon expiration, or if market conditions were to substantially change resulting in a significant increase in the price of coal, fuel oil, electricity and/or natural gas, we may not be able to find alternative, comparable suppliers or suppliers capable of providing coal, fuel, electricity and/or natural gas on terms or in amounts satisfactory to us. As a result of any of these events, our business, financial condition and operating results may suffer.

We are also dependent on third parties for the transportation of both our raw materials and the products we sell. In certain jurisdictions, we are exposed to import duties and freight costs, the latter of which is influenced by carrier availability and the fluctuating costs of oil and other transportation costs.

***Our operating results depend upon a steady supply of wood fiber and any impairment in our ability to procure wood fiber at cost-effective prices may adversely affect our business, financial condition and operating results.***

Evergreen does not own or control any timberlands and must buy its fiber either through supply agreements or on the open market. One of Evergreen s supply agreements for wood fiber, which expires on May 14, 2014, currently accounts for 22% of its total requirements for the supply of wood chips and the prices that Evergreen pays for wood fiber under that agreement at any particular time may be greater or less than spot market prices. Evergreen also has agreements with numerous other suppliers to purchase wood fiber at market prices. If any of these agreements were to be terminated for any reason, or not renewed upon expiration, or if market conditions were to substantially change, we may not be able to find alternative, comparable suppliers or suppliers capable of providing our wood fiber needs on terms or in amounts satisfactory to us. As a result, our business, financial condition and operating results could suffer.

In addition, the cost and availability of wood fiber have at times fluctuated greatly because of weather, economic or general industry conditions. From time to time, timber harvesting may be limited by natural events, such as fire, insect infestation, disease, ice storms, excessive rainfall and windstorms, or by harvesting restrictions. Production levels within the forest products industry are also affected by such factors as currency fluctuations, duties and finished lumber prices. All of these factors can increase the price we pay for wood fiber from our existing suppliers or from any new suppliers and we may not be able to immediately pass on raw material price increases to our customers, if at all. Due to differences in the timing of the pricing mechanism trigger points between our sales and purchase contracts, there is often a lead-lag impact during which margins are negatively impacted for the short term in periods of rising raw material prices and positively impacted in periods of falling raw material prices. Therefore, selling prices of our finished products may not increase in response to raw material price increases. Our operating results may be materially and adversely affected if we are unable to pass through any raw material price increases to our customers.

***We depend on a small number of suppliers for our raw materials and any interruption in our supply of raw materials would harm our business and financial performance.***

Most of our raw material requirements are sourced from a relatively small number of suppliers. In addition, we do not have written contracts with some of our suppliers and many of our contracts can be terminated on short notice. As a consequence, we are highly dependent on these suppliers for an uninterrupted supply of our key raw materials. Such supply could be disrupted for a wide variety of reasons, many of which are beyond our control. Any interruption in the supply of raw materials could have an adverse impact on our business and results of operations. In addition, SIG relies on a small number of suppliers for its cartonboard requirements for its aseptic carton packaging business. Specifically, SIG purchases nearly all of its cartonboard requirements from Stora Enso Oyj. SIG has purchased cartonboard from Stora Enso Oyj for several years, generally pursuant to written contracts, but from time to time without a written contract in place. SIG s current contract with Stora Enso Oyj expires on December 31, 2013. However, if Stora Enso Oyj is unwilling or unable to supply cartonboard to SIG at any time and SIG is unable to obtain a replacement supplier or manufacturer within a reasonable amount of time, SIG may experience a significant interruption in its production of aseptic carton packaging sleeves, which may adversely affect our business and results of operations.

***Our ability to expand our operations could be adversely affected if we lose access to additional blow molding equipment.***

Graham Packaging s access to blow molding equipment is important to its ability to expand its operations. Graham Packaging has access to a broad array of blow molding equipment and suppliers. However, if we fail to continue to have access to this new blow molding equipment or these suppliers, our ability to expand our operations may be materially and adversely affected until alternative sources of technology can be arranged.

***Our business and financial performance may be adversely affected by downturns in the target markets that we serve.***

Many of our products are packaging for products manufactured by other companies, so demand for our products is directly affected by consumer consumption of the products sold in the packages we produce. General economic conditions affect consumption in SIG s, Evergreen s, Closures and Graham Packaging s primary end-use markets, including beverage products, such as milk, other dairy products, juices, bottled water and carbonated and non-carbonated soft drinks, as well as the liquid food market and other packaged consumer products. Reynolds Consumer Products depends on the market conditions in the retail industry and consumer demand for its products, such as aluminum foil, wraps, and bags, which are also affected by general economic conditions. Similarly, demand for our Pactiv Foodservice products depends on the market conditions in the foodservice industry and consumer demand for their products.

Downturns or periods of economic weakness or increased prices in these consumer markets have resulted in the past, and could result in the future, in decreased demand for our products. In particular, our business has been in the past, and could be in the future, adversely affected by any economic downturn that results in difficulties for any of our major customers, including retailers. For example, the continuing uncertainty about future economic conditions globally, and in the United States and Europe in particular, could negatively impact our customers and adversely affect our results of operations. These conditions are beyond our control and may have an impact on our sales and results of operations. Macro-economic issues involving the broader financial markets, including the housing and credit systems and general liquidity issues in the securities markets, have negatively impacted the economy and may negatively affect our growth. In addition, weak economic conditions and declines in consumer spending and consumption have in the past harmed, and may in the future harm, our operating results. For example, during the latter part of 2008, melamine contamination in China impacted a significant number of milk products; as a result, consumer confidence within the Chinese market significantly declined, resulting in lower milk sales. In Russia, the recent economic downturn significantly reduced the demand for liquid packaging in the juice division in 2009. In the United States, the economic downturn also reduced demand for branded consumer products such as waste and storage bags, with customers shifting towards purchases of lower priced store branded products.

***Increased competition could reduce our sales and profitability and adversely affect our financial condition and results of operations.***

All of our segments operate in highly competitive markets. Some of our segments, such as SIG and Evergreen, operate in markets with a limited number of key global competitors. Certain of those competitors have a significantly higher market share than we do globally or in the geographic markets in which we compete and may have substantially greater financial and other resources than we do. The global beverage caps and closures market is highly fragmented, with Closures being one of a relatively small number of key global participants. Reynolds Consumer Products faces significant competition in all of its product lines from numerous national and regional companies of various sizes and cost structures. The foodservice market is also highly fragmented, with Pactiv Foodservice being one of the few participants with a product range that spans most of the foodservice product categories. Some competitors offer a more specialized variety of packaging materials and concepts and may serve more geographic regions through various distribution channels. Graham Packaging has a significant market share in rigid blow-molded plastic containers in North America but faces increasing competition in the market.

We believe that the aseptic and fresh carton packaging, paper and beverage caps and closures businesses are highly competitive, and product pricing is a key competitive factor. Besides product pricing, we also compete by offering customers volume rebates, marketing allowances and extended payment terms for purchases of our filling machines. As a result, unless we are able to control our operating costs, our gross margin may be adversely affected. In 2008, as a result of competitive pricing, one of Closures major customers significantly reduced its purchasing of beverage caps and closures from us in the United States, which adversely affected Closures business and results of operations. It is possible that we will lose additional customers in the future, which would adversely affect our business and results of operations.

Although capital costs in many of our businesses, particularly in the aseptic and fresh carton packaging and beverage caps and closures industries, are high and there are intellectual property and technological barriers to entry, we also face the threat of competition in the future from new entrants from other segments in the packaging market or outside the packaging market, as well as from existing suppliers. We also face potential competition, particularly in emerging markets like Russia and East Asia, from companies that supply carton sleeves to customers who already own filling machines. These competitors do not incur the capital costs associated with the production and supply of filling machines and are, therefore, able to provide carton sleeves at a lower cost. As a result, to the extent there are new entrants, it may become difficult for us to increase or even maintain our prices. In addition to other aseptic and fresh carton packaging suppliers, our aseptic and fresh carton packaging businesses also face competition from packaging made from PET and other substrates. The prices that we can charge for our products and systems are therefore constrained by the availability and cost of substitutes. For example, in the German market, PET substitution in the juice segment has impacted adversely our results of operations. Some customers or potential customers of our caps and closures business, especially in emerging markets, might explore the option to self-manufacture caps and closures, which may adversely affect our financial condition and results of operations.

We also compete in the paper, cup stock and ovenable packaging board markets. Some of our competitors in these markets have lower costs than we do and may be less adversely affected than we are by price declines or by increases in raw material costs. In addition, several of our competitors in these markets have significantly greater financial and other resources and a lower product cost basis than we have and thus can better withstand adverse economic or market conditions. Moreover, changes within the paper industry have occurred, including the consolidation of producers of products that compete with us and consolidation within the distribution channels for our products, and may continue to occur, and may adversely affect our business and financial performance.

Reynolds Consumer Products is subject to intense competition in a marketplace dominated by large retailers. We compete with diverse manufacturers of consumer products including large and well established multinational companies, as well as regional and local companies. Our principal customers are grocery stores, mass-merchants, clubs, discount stores and drug stores. The rapid growth of these large retailers, together with changes in consumer purchasing patterns, have contributed to the formation of dominant multi-category retailers that have strong negotiating power with suppliers. Current trends among such retailers include fostering high levels of competition among suppliers, demanding innovative new products from suppliers and requiring suppliers to maintain or reduce product prices and deliver products with shorter lead times. Other trends include consumers shifting purchasing channels by moving away from grocery stores and towards clubs and mass-merchants and retailers importing products directly from foreign sources and sourcing and selling products under their own store brands, which compete with our Reynolds and Hefty branded products.

Pactiv Foodservice is subject to intense competition mainly from significantly smaller competitors, many of whom have lower fixed costs. Certain competitors offer a more specialized variety of packaging materials and concepts. Our success in obtaining business in the foodservice market is driven primarily by our breadth of product offerings, price, product features, performance, speed to market, distribution capabilities and value-added services.

Graham Packaging operates in a competitive environment. In the past, Graham Packaging has encountered pricing pressures in its markets and could experience further declines in prices of plastic packaging as a result of competition. Although Graham Packaging has been able over time to partially offset pricing pressures by reducing its cost structure and making the manufacturing process more efficient, Graham Packaging may not be able to continue to do so in the future.

The combination of these market influences has created an intensely competitive environment in which our customers continuously evaluate their suppliers, often resulting in downward pricing pressures and the need for large, consumer-meaningful brands, continuous introduction and commercialization of innovative new products, continuing improvements in customer service and the maintenance of strong relationships with large, high-volume purchasers. We also face intense competition from consumer product companies, as most of our products compete with other widely advertised brands within each product category and with store branded products. We also face the risk of changes in the strategy or structure of our major retailer customers, such as overall store and inventory reductions and retailer consolidation. The intense competition in the retail sector combined with the current economic environment may result in a number of retailers experiencing financial difficulty or failing in the future. As a result of these factors, we may experience reduced sales and profitability and a limited ability to recover our cost increases through price increases.

***We are affected by seasonality and cyclicality in certain of our businesses.***

Demand for beverages and consequently the related packaging, caps and closures, may be affected by adverse weather conditions, especially during the summer months when prolonged periods of unseasonably cool or wet weather in a particular market may affect sales volumes and therefore our financial condition and the results of our operations. In addition, demand for our consumer products, and in some instances our packaging products, typically increases during the holiday season which leads to increased sales in the fourth quarter, and our school milk carton business is typically stronger during the North American school semesters and decreases during the holiday periods.

The market for non-packaging paper products, such as Evergreen s coated groundwood or uncoated free sheet products, is highly cyclical and sensitive to changes in general business conditions, industry capacity, consumer preferences and other factors. We have no control over these factors and they can significantly influence our financial performance. Many of our products in the paper segment are commodities and thus are readily substitutable and are subject to robust competition. The prices for our products may fluctuate substantially in the future, and continued or sustained weakness in prices or continued or sustained downturns in market conditions could have a material adverse effect on our business, financial condition and operating results.

***Our business and financial performance may be harmed by changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns.***

Many of our products are used by consumers in connection with food or beverage products. Any reduction in consumer demand for these product types as a result of lifestyle, environmental, nutritional or health considerations could have a significant impact on our customers and hence on our financial condition and results of operations. For example, there have been recent concerns about the environmental impact resulting from the manufacturing, shipping and/or disposal of resin-based products, such as plastic water bottles and polystyrene containers and packaging that are considered harmful to the environment by consumers. Product stewardship and resource sustainability concerns, including the recycling of products and product packaging and restrictions on the use of potentially harmful materials in products, have received increased attention in recent years and are likely to play an increasing role in brand management and consumer purchasing decisions. In addition, changes in consumer lifestyle, such as the gradual decline of home cooking, may result in decreasing demand for certain of our consumer products and increasing demand for our foodservice products. Our financial position and results of operations might be adversely affected to the extent that such environmental concerns or changes in consumer lifestyle reduce demand for our products.

***If Reynolds Consumer Products does not continue to develop and maintain brands that are meaningful to consumers, our results of operations may suffer.***

The ability of Reynolds Consumer Products to compete successfully increasingly depends on its ability to develop and maintain brands that are meaningful to consumers. The development and maintenance of such brands requires significant investment in product innovation, brand-building, advertising and marketing initiatives. Reynolds Consumer Products focuses on developing innovative products to address consumers unmet needs as well as introducing store branded products that emulate other popular branded consumer products and may increase its expenditures for advertising and other brand-building or marketing initiatives. However, these initiatives may not deliver the desired results which could adversely affect our business.

***If we fail to maintain satisfactory relationships with our major customers, our results of operations could be adversely affected.***

Many of our customers are large and possess significant market leverage, which results in significant downward pricing pressure, and generally constrains our ability to pass through price increases. SIG s, Evergreen s and Closures products are sold under multi-year supply agreements with many of their customers, while Reynolds Consumer Products generally sells its branded products pursuant to informal trading policies and its store branded products under one year or multi-year agreements. Pactiv Foodservice sells the majority of its products under agreements ranging from a few months to one year, with the balance sold pursuant to purchase orders or informal trading policies. In addition, we do not have written agreements with some of our customers and many of our agreements can be terminated on short notice. Graham Packaging s sales are made pursuant to long-term customer purchase orders and contracts which typically vary in length with terms up to ten years. The contracts are requirements contracts which do not obligate the customer to purchase any given amount of product from Graham Packaging. Prices under Graham Packaging s arrangements are tied to market standards and therefore vary with market conditions. SIG, Evergreen and Closures typically offer their major customers a variety of incentives to purchase their filling and capping machines or lease their filling machines. If our major customers reduce purchasing volumes or stop purchasing our products, our business and results of operations would likely be adversely affected. For example, in 2008, one of Closures major customers significantly reduced its purchasing of beverage caps and closures from us in the United States, which adversely affected Closures business and results of operations. It is possible that we will lose customers in the future, which may adversely affect our business and results of operations.

***We could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits.***

Our operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. Among other things, these laws regulate the emission or discharge of materials into the

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environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of our employees and the end-users of our products, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. Violations of these laws and regulations or non-compliance with any conditions contained in any environmental permit can result in substantial fines or penalties, injunctive relief, requirements to install pollution or other controls or equipment, civil and criminal sanctions, permit revocations and/or facility shutdowns. We could be held liable for the costs to address contamination of any real property we have ever owned, operated or used as a disposal site. We also could incur fines, penalties, sanctions or be subject to third-party claims for property damage, personal injury or nuisance or otherwise as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental liabilities or obligations in the future, including additional investigation or other obligations with respect to any potential health hazards of our products or business activities or the imposition of new permit requirements, may lead to additional compliance or other costs that could have a material adverse effect on our business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect us. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the United States Environmental Protection Agency, or EPA, is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These and other foreign, federal and state climate change initiatives may cause us to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from our suppliers, customers or both incurring additional compliance costs that could get passed through to us or impact product demand. Additionally, the EPA is continuing the development of other new standards and programs that may be applicable to our operations. For example, the EPA has issued but is currently reconsidering regulations under the Clean Air Act governing emissions from industrial boilers. These or other rules promulgated in the future could result in additional material costs to us.

In addition, a number of governmental authorities, both in the United States and abroad, have considered, and are expected to consider, legislation aimed at reducing the amount of plastic wastes disposed. Programs have included, for example, mandating certain rates of recycling and/or the use of recycled materials, imposing deposits or taxes on plastic packaging material and requiring retailers or manufacturers to take back packaging used for their products. Legislation, as well as voluntary initiatives similarly aimed at reducing the level of plastic wastes, could reduce the demand for certain plastic packaging, result in greater costs for plastic packaging manufacturers or otherwise impact our business. Some consumer products companies, including some of our customers, have responded to these governmental initiatives and to perceived environmental concerns of consumers by using containers made in whole or in part of recycled plastic. Future legislation and initiatives could adversely affect us in a manner that would be material to our results of operations.

In early September 2012, we learned that emissions of Volatile Organic Compounds ( VOC ) from foil rolling operations at the Reynolds Consumer Products segment s Louisville, Kentucky facility may have been close to the annual limit imposed under the facility s air emissions permit. We voluntarily reported the emissions level to the Louisville Metro Air Pollution Control District (the LMAPCD ) and, to avoid exceeding the annual limit under the facility s air emissions permit, ceased foil rolling operations at our Louisville facility on September 6, 2012 (other operations at the facility continued). We reached an agreement with the LMAPCD with regard to recommencing and continuing foil rolling operations, and on September 19, 2012, we recommenced all operations. The agreement will require incremental capital costs for the facility and other expenses that could reduce our operating margins and could involve penalties, similar costs or enforcement action imposed by the LMAPCD or other regulatory authorities, but we do not expect that their impact on our business, financial condition or results of operations will be material.

***Loss of any of our key manufacturing facilities could have an adverse effect on our financial condition or results of operations.***

While we manufacture most of our products in a large number of diversified facilities, and maintain insurance covering these facilities, a loss of the use of all or a portion of any of our key manufacturing facilities due to an accident, labor issues, weather conditions, natural disaster or otherwise, may have a material adverse effect on our financial condition or results of operations. In addition, certain of our products are produced at only one location or at a small number of facilities, increasing the risks associated with a loss of use of such facilities. For example, after the consolidation of Reynolds Consumer Products Richmond and Louisville manufacturing facilities in late 2009, we can only perform the foil rolling phase of our foil manufacturing process in our Louisville plant and the melting and casting phase in our Hot Springs facility. Loss or disruption of either of these two facilities would significantly interrupt our production process and adversely affect our business and results of operations. We recently ceased foil rolling operations at our Louisville plant for 13 days in order to avoid exceeding the annual limit under the plant s air emissions permit. This is the only facility at which we currently produce our foil products. Because we were able to recommence operations within a relatively short period of time, the impact of this event on our business was not material. However, an event that triggered a larger disruption of production at that facility could have a material adverse effect on our financial condition or results of operations. Additionally, we experienced a flood at our Louisville plant in 2009, which required us to suspend production at that facility for a short period of time. Similarly, we were affected by earthquakes in Chile in 2010 and Japan in 2011, which caused one of Closures facilities to suspend its operations for approximately two months.

***We may be unable to achieve some or all of the benefits that we expect to achieve from our restructuring and cost savings programs.***

We may not be able to realize some or all of the cost savings and other adjustments we expect to achieve in the future as a result of our restructuring and cost savings programs in the time frame we anticipate. For a detailed description of these cost savings measures and other adjustments expected, refer to Operating and Financial Review and Prospects. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings programs, lack of sustainability in cost savings over time, unexpected costs associated with operating our business, our ability to eliminate duplicative back office overhead and redundant selling, general and administrative functions, obtain procurement related savings, rationalize our distribution and warehousing networks, rationalize manufacturing capacity and shift production to more economical facilities and our ability to avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction.

***Our insurance may not protect us against business and operating risks.***

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, we will not be fully insured against all risks associated with pollution and other environmental incidents or impacts. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or obtain or renew insurance against certain risks. Any significant uninsured liability may require us to pay substantial amounts which would adversely affect our cash position and results of operations.

***We may be involved in a number of legal proceedings that could result in substantial liabilities for us.***

We are involved in several legal proceedings. It is difficult to predict with certainty the cost of defense or the outcome of these proceedings and their impact on our business, including remedies or damage awards. The outcomes of these legal proceedings and other contingencies could require us to take or refrain from taking certain actions, which actions or inactions could adversely affect our operations or could require us to pay substantial amounts of money or restrict our operations. If liabilities or fines resulting from these proceedings are substantial or exceed our expectations, our business, financial condition or results of operations may be adversely affected.

***Loss of our key management and other personnel, or an inability to attract new management and other personnel, could impact our business.***

We depend on our senior executive officers and other key personnel to operate our businesses and on our in-house technical experts to develop new products and technologies and to service our customers. The loss of any of these officers or other key personnel could adversely affect our operations. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our ability to conduct research and development activities successfully or develop and support marketable products.

***Future government regulations and judicial decisions affecting products we produce or the products contained in or sealed with the packaging, caps or closures we produce could significantly reduce demand for our products.***

Government regulations and judicial decisions that affect the products we produce or the products contained in or sealed with the packaging, caps or closures we produce could significantly reduce demand for our products. For example, German legislation has been passed that requires a deposit to be paid for certain disposable beverage packages. It is possible that in the future our products may become subject to such deposit requirements if the recycling of our products falls below acceptable thresholds. Future legislation could also limit the use of our products or impose certain taxes on the use of our products. Such legislation could significantly reduce demand for many of our products and adversely affect our sales.

Changes to health and food safety regulations could increase costs and may also have a material adverse effect on our sales if, as a result, the public s attitude towards our consumer products or the end products for which we provide packaging, caps or closures is substantially affected.

***Significant consolidation among our customers or the loss of a significant customer could decrease demand for our products or our profitability.***

Consolidation among our customers could adversely affect our profitability. We have observed that over the last ten years, there has been a trend toward consolidation among our customers in the food and beverage industry and in the retail and foodservice industries, and we expect that this trend will continue. In particular, consolidation among our customers could increase their ability to apply price pressure, and thereby force us to reduce our selling prices or lose sales, which would impact our results of operations. Following a consolidation, our customers in the food and beverage industry may also close production facilities or switch suppliers of packaging, caps or closures which could impact sales of our filling and capping machines and other products, while our customers in the retail industry may close stores, reduce inventory or switch suppliers of consumer products.

Additionally, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging rely on a relatively small number of customers for a significant portion of their revenue. In 2011, Reynolds Consumer Products top ten customers accounted for approximately 67% of its revenue, with two customers accounting for approximately 27% and 13% of revenue. In 2011, Pactiv Foodservice s top ten customers accounted for approximately 45% of its revenue, with one customer accounting for approximately 12% of revenue. In 2011, Graham Packaging s top ten customers accounted for approximately 48% of its revenue. The loss of any of our significant customers could have a material adverse effect on our business, financial condition and results of operations.

***Supply of faulty or contaminated products could harm our reputation and business.***

We have control measures and systems in place to ensure the maximum safety and quality of our products is maintained. The consequences of not being able to do so, due to accidental or malicious raw material contamination, or due to supply chain contamination caused by human error or faulty equipment, could be severe. Such consequences may include adverse effects on consumer health, reputation, loss of customers and market share, financial costs or loss of revenue. In addition, if any of our competitors or customers supply faulty or contaminated products to the market, or if manufacturers of the end-products that utilize our packaging produce faulty or contaminated products, our industry, or our end-products industries, could be negatively impacted, which could have adverse effects on our business.

In addition, if any of our products are found to be defective, we could be required to recall such products, which could result in adverse publicity, significant expenses and a disruption in sales and could affect our reputation and that of our products. Although we maintain product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy.

***Developments in electronic data transmission as well as rising postal costs could weaken demand for our paper products.***

Recent trends in electronic data transmission and storage and in the use of the internet have tended to reduce the demand for paper products, particularly traditional print media. These trends could hurt our paper business. In addition, there has also been a trend toward on-line invoice payment. An increase in the cost of postage, or an increased availability and acceptance of on-line invoice payment options, could lessen demand for paper.

***Currency exchange rate fluctuations could adversely affect our results of operations.***

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is U.S. dollars, we operate in different geographical areas and transact in a range of currencies in addition to dollars. Our other transacting currencies include the euro, the Brazilian real, the British pound, the Canadian dollar, the Chinese yuan renminbi, the Japanese yen, the Korean won, the Mexican peso, the New Zealand dollar, or NZ$, the Polish zloty, the Russian ruble, the Singapore dollar, the Swiss franc, the Taiwanese dollar and the Thai baht. Where possible, we try to minimize the impact of exchange rate fluctuations by transacting in local currencies so as to create natural hedges. We cannot assure you, however, that we will be successful in protecting against these risks. Under certain circumstances in which we are unable to naturally offset our exposure to these currency risks, we enter into derivative transactions to reduce such exposures. Nevertheless, exchange rate fluctuations may either increase or decrease our revenue and expenses as reported in dollars. Given the volatility of exchange rates, particularly as a result of uncertainty surrounding the euro due to the European debt crisis, we may not be able to manage our currency transaction risks effectively, and volatility in currency exchange rates may materially adversely affect our financial condition or results of operations.

***We may not be successful in adequately protecting our intellectual property rights, including our unpatented proprietary knowledge and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.***

In addition to relying on the patent and trademark rights granted under the laws of countries in Europe, the United States and various other countries in which we operate, we rely on unpatented proprietary knowledge and trade secrets and employ various methods, including confidentiality agreements with employees and third parties to protect our knowledge and trade secrets. However, these precautions and our patents and trademarks may not afford complete protection against infringement by third parties, and there can be no assurance that others will not independently develop the knowledge and trade secrets. Patent and trademark rights are territorial; thus, the patent and trademark protection we do have will only extend to those countries in which we have been issued patents and have registered trademarks. Even so, the laws of certain countries do not protect our intellectual property rights to the same extent as do the laws of various European countries and the United States. Further, we may not be able to prevent current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information. It is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Infringement of our intellectual property may adversely affect our results of operations and make it more difficult for us to establish a strong market position in countries which may not afford adequate protection of intellectual property. Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets and similar proprietary rights to third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. If necessary, we also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

Our success depends in part on our ability to obtain, or license from third parties, patents, trademarks, trade secrets and similar proprietary rights without infringing on the proprietary rights of third parties. Although we believe that our intellectual property rights are sufficient to allow us to conduct our business without incurring liability to third parties, our products may infringe on the intellectual property rights of such persons and we may be subject to claims asserting infringement of intellectual property rights. No assurance can be given that we will not be subject to such additional claims seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products. Any such litigation could be protracted and costly and could have a material adverse effect on our business and results of operations.

***If we are unable to stay abreast of changing technology in our industry, our profits may decline.***

Our businesses are subject to frequent and sometimes significant changes in technology, and if we fail to anticipate or respond adequately to such changes, or do not have sufficient capital to invest in these developments, our profits may decline. Our future financial performance will depend in part upon our ability to develop and market new products and to implement and utilize technology successfully to improve our business operations. We cannot predict all the effects of future technological changes. The cost of implementing new technologies could be significant, and our ability to potentially finance these technological developments may be adversely affected by our debt servicing requirements or our inability to obtain the financing we require to develop or acquire competing technologies.

***Employee slowdowns, strikes and similar actions could have a material adverse effect on our business and operations.***

A significant portion of our employees in several locations globally are subject to collective bargaining agreements. Many of our employees in Asia, Europe, Mexico and South America are represented by works councils. In addition, the transportation and delivery of raw materials to our manufacturing facilities and of our products to our customers by workers that are members of labor unions is critical to our business. In many cases, before we take significant actions with respect to our production facilities, such as workforce reductions or closures, we must reach agreement with applicable labor unions and employee works councils. The failure to maintain satisfactory relationships with our employees and their representatives, or prolonged labor disputes, slowdowns, strikes or similar actions could have a material adverse effect on our business and results of operations.

***We face risks associated with certain pension obligations.***

We have pension plans that cover many of our employees, former employees, and employees of formerly affiliated businesses. Many of these pension plans are defined benefit pension plans, pursuant to which the participants receive defined payment amounts regardless of the value or investment performance of the assets held by such plans. Deterioration in the value of plan assets, including equity and debt securities, resulting from a general financial downturn or otherwise, could cause an increase in the underfunded status of our defined benefit pension plans, thereby increasing our obligation to make contributions to the plans, which in turn would reduce the cash available for our business.

Our largest pension plan is the Pactiv Retirement Plan, of which Pactiv became the sponsor at the time of the Pactiv spin-off from Tenneco Inc. (now Pactiv) in 1999. This plan covers most of Pactiv s employees as well as employees (or their beneficiaries) of certain companies previously owned by Tenneco but not currently owned

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by us. As a result, while persons who are not current Pactiv employees do not accrue benefits under the plan, the total number of individuals/beneficiaries covered by this plan is much larger than if only Pactiv personnel were participants. For this reason, the impact of the pension plan on our net income and cash from operations is greater than the impact typically found at similarly sized companies. Changes in the following factors can have a disproportionate effect on our results compared with similarly sized companies: (i) assumptions regarding the long-term rate of return on pension assets and other factors, (ii) interest rate used to discount projected benefit obligations, (iii) level of amortization of actuarial gains and losses, (iv) governmental regulations relating to funding of retirement plans in the United States and foreign countries and (v) financial market performance. As of December 31, 2011, Pactiv s U.S. pension plan was underfunded by $892 million and subsequent financial market performance and decreases in interest rates may have significantly increased this deficit. Future contributions to our pension plans, including Pactiv s U.S. pension plan, could reduce the cash otherwise available to operate our business and could have an adverse effect on our results of operations.

In addition, certain of our businesses participate in various multi-employer pension plans administered by labor unions representing some of our current or former employees. We make periodic contributions to these plans, and if we withdraw from participation in these plans, we could be required to make an additional lump-sum contribution to the plan. If other participating employers withdraw from these plans or become insolvent, our liability could increase. Some multi-employer plans, including some of those in which we participate, are reported to have significant underfunded liabilities, which could increase the size of our potential withdrawal liability.

***We may not be able to successfully integrate businesses we have acquired in the past or may acquire in the future, and we may not be able to realize anticipated cost savings, revenue enhancements or other synergies from such acquisitions.***

Our ability to successfully implement our business plan and achieve targeted financial results depends on our ability to successfully integrate businesses we have acquired in the past or may acquire in the future. Acquisitions inherently involve risks, including those associated with assimilating and integrating different business operations, corporate cultures, personnel, infrastructure and technologies or products and increasing the scope, geographic diversity and complexity of operations. There may be additional costs or liabilities associated with the acquisitions that we have consummated in recent years that we did not anticipate at the time such acquisitions were consummated, including an unexpected loss of key employees or customers and hiring additional management and other critical personnel. These acquisitions may also be disruptive to our ongoing business and may not be successfully received by our customers. Any of these risks could adversely affect our business, financial condition and results of operations.

***Changes in global conditions could adversely affect our business and results of operations.***

Our financial results could be substantially affected by global market risks in the countries outside the United States in which we have manufacturing facilities or sell our products. Our business and results of operations are materially affected by conditions in the European economy. Adverse economic conditions in Europe have adversely affected consumer confidence and, as a result, have impacted demand for our packaging products that are used for discretionary consumer products sold in that region. There can be no assurance that a continuing economic downturn in Europe would not result in further adverse effects that may be material to our cash flows, competitive position, financial condition, results of operations, or our ability to access capital. In addition, we have substantial manufacturing facilities in certain countries that are exposed to economic and political instability. For example, Evergreen ceased operations in Venezuela due to political turmoil in the region. Many of our raw materials, particularly plastic resins, are affected by changes in oil prices, and economic or political unrest in petroleum producing countries, such as those in the Middle East, will affect oil prices, which could affect our cost of raw materials and our results. Downturns in economic activity, adverse foreign tax consequences or any changes in social, political or labor conditions in any of these countries or regions could negatively affect our results of operations.

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***Our third-party equipment leasing arrangements may increase our exposure to credit risk from customer defaults.***

SIG enters into arrangements under which filling machines are sold to third-party finance companies that lease the machines to their customers. In the event that a customer defaults under the terms of its lease, under certain circumstances, these finance companies could require us to repurchase the filling machine. As a result, we are exposed to the credit risk of our customers under these leasing arrangements. The potential obligation to buy back filling machines exposed us to a potential maximum liability of $15 million as of December 31, 2011 and $32 million as of December 31, 2010. If we have to repurchase filling machines, we may have to utilize our available cash or our availability under our revolving credit facility.

***We expect to pursue and execute acquisitions, which, if not successful, could adversely affect our business.***

As part of our strategy, we plan to consider the acquisition of other companies, assets and product lines that either complement or expand our existing business. These acquisitions may be significant in size, scope or otherwise. However, we may not be able to continue to grow through acquisitions and cannot assure you that we will be able to consummate any acquisitions or that any future acquisitions will be consummated at acceptable prices and terms or that the acquired businesses will be successfully integrated into our current operations. Acquisitions involve a number of specific risks, including:

- the diversion of management s attention to the assimilation of the acquired companies and their employees and on the management of expanding operations;
- the incorporation of acquired products into our product lines;
- demands on our operational and financial systems;
- demands on our financial resources;
- possible adverse effects on our operating results;
- the potential loss of customers of the acquired business;
- the inability to retain key employees of the acquired business; and
- failure to achieve the results we anticipate from such acquisitions.

There are or may be liabilities associated with the businesses we have acquired or may acquire. Acquisitions have the risk that the obligations and liabilities of an acquired company may not be adequately released, indemnified or reflected in the historical financial statements of such company and the risk that such historical financial statements may contain errors. We may also become responsible for liabilities that we failed or were unable to discover in the course of performing due diligence procedures in connection with our historical acquisitions and any future acquisitions. When possible, we require the sellers to indemnify us against certain undisclosed liabilities; however, we cannot be certain that these indemnification rights that we have obtained, or will obtain in the future, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition or results of operations.

In addition, we may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems. The costs or the failure of any such integration effort could have a material adverse effect on our operating results and financial condition.

***We have given warranties and indemnities to the purchasers in connection with business disposals, and agreed in some instances to non-compete provisions, which have not yet expired and may give rise to claims against us or our controlled entities or limit our ability to engage in business in certain geographical areas.***

From time to time we have disposed of segments or elements of our businesses, and we may dispose of other segments or elements of our businesses in the future. As part of these types of transactions, we are generally required to indemnify the purchasers of such businesses for various liabilities, and the resulting

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indemnification obligations may be significant. These types of transactions may also restrict our ability to engage in certain operations or conduct business in certain geographical areas for a certain period of time. Some of the time periods within which a claim can be brought under warranty and indemnity provisions have not expired, and we have experienced several indemnity claims based on disposal transactions. If any material claims in respect of these types of dispositions are successfully brought against us in the future, such claims may have a material adverse effect on our business, financial condition and results of our operations.

***Conditions in the global capital and credit markets and the economy in general may have a material adverse effect on our business, results of operations or financial position.***

The global capital and credit markets have recently undergone a period of unprecedented volatility and disruption and the global economy recently experienced a recession. Our results of operations and financial position were, and may continue to be, negatively affected by adverse changes in the global capital and credit markets and the economy in general, both in the United States and elsewhere around the world. Economic conditions may also adversely affect the ability of our lenders, customers and suppliers to continue to conduct their respective businesses and may affect our ability to operate our production facilities in an economical manner. Many of our customers rely on access to credit to fund their operations. The inability of our customers to access credit facilities may adversely affect our business by reducing our sales, increasing our exposure to accounts receivable bad debts and reducing our profitability.

Concerns about consumer confidence, the availability and cost of credit, reduced consumer spending and business investment, the volatility and strength of global capital and credit markets and inflation have affected, and may continue to affect, the business and economic environment and ultimately the profitability of our business. Economic downturns characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending have resulted, and may continue to result, in decreased demand for our products. We are unable to predict the likely duration or severity of any disruption in global capital and credit markets and the economy in general, all of which are beyond our control and may have a significant impact on our business, results of operations, cash flows and financial position.

***The impairment of our trade receivable financings could adversely impact our liquidity.***

On November 7, 2012, certain members of the RGHL Group entered into the Securitization Facility. The Securitization Facility is for an amount up to $600 million. As of the date of this prospectus, the RGHL Group had drawn $500 million under this facility. The amount that can be borrowed is calculated by reference to a funding base determined by the amount of eligible trade receivables of certain members of the RGHL Group. The funding base may vary, on a monthly basis, throughout the term of the Securitization Facility. To the extent the amount of eligible trade receivables decreases, we may be required to pay down existing borrowings under the Securitization Facility, which could require us to use cash on hand or revolver availability which may not be available or may be more expensive than the Securitization Facility.

In addition, SIG currently sells, and our other segments may in the future sell, a significant portion of its trade receivables through separate factoring programs to finance our working capital needs. As of December 31, 2011 and December 31, 2010, 39% and 46%, respectively, of SIG s trade receivables were subject to non-recourse factoring programs. The factoring programs are an important source of liquidity, even though the SIG program is not reflected on our balance sheet.

Our access to factoring programs depends on the availability of receivables insurance, and on our credit rating and the credit ratings of our customers and insurers. We may be unable to continue to utilize factoring programs or may only be able to do so on less desirable terms if either we are unable to obtain or renew receivables insurance or our credit rating or the credit ratings of our customers or insurers are negatively impacted. An inability to utilize factoring programs would slow our conversion of trade receivables to cash and increase our working capital requirements, which could require us to use revolver availability or cash on hand or seek alternative sources of financing which may not be available or may be more expensive than our existing financing.

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***The impairment of financial institutions may adversely affect us.***

We, our customers and our suppliers have transactions and borrowing arrangements with U.S. and foreign commercial banks and other financial institutions, some of which may be exposed to ratings downgrade, bankruptcy, lack of liquidity, default or similar risks, especially in times of financial market turmoil. A ratings downgrade, bankruptcy, receivership, default or similar event involving such institutions may adversely affect the institution s performance under letters of credit, limit our access to capital, impact the ability of our suppliers to provide us with raw materials needed for our production, impact the ability of our customers to meet obligations to us or adversely affect our liquidity, future business and results of operations.

***The international scope of our operations and our corporate and financing structure may expose us to potentially adverse tax consequences.***

We are subject to taxation in and to the tax laws and regulations of multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness, including the notes, intercompany loans and guarantees. If any applicable tax authorities, including the U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes on internal deemed transfers or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

***Our aluminum hedging activities may result in significant losses and in period-to-period earnings volatility.***

We regularly enter into hedging transactions to limit our exposure to raw material price risks primarily relating to aluminum purchases. For example, in the past, our hedging strategies have proven to be ineffective and as a result of changes in the fair value of outstanding aluminum hedging contracts, the Reynolds consumer products business of our Reynolds Consumer Products segment incurred an unrealized loss of $131 million for the year ended December 31, 2008, an unrealized gain of $102 million for the year ended December 31, 2009, an unrealized gain of $2 million for the year ended December 31, 2010 and an unrealized loss of $17 million for the year ended December 31, 2011 on derivative financial instruments. In October 2009, Reynolds Consumer Products terminated its previous hedging policy, which was not necessarily aligned with its production requirements. After the termination of its previous hedging policy, Reynolds Consumer Products adopted a new hedging policy. Under the new policy, Reynolds Consumer Products hedges a smaller portion of its aluminum purchases for a shorter average term than under its previous policy, which the RGHL Group believes is more appropriate for the business and is designed to reduce the impact of changing aluminum prices on the RGHL Group s results of operations. See Operating and Financial Review and Prospects Key Factors Influencing Our Financial Condition and Results of Operations Hedging Activities. If, in the future, our hedging strategies prove to be ineffective or if we fail to effectively monitor and manage our hedging activities, we could incur significant losses which could adversely affect our financial position and results of operations.

***Our accounting and other management systems resources may not be adequately prepared to meet financial reporting and other requirements in the future. Our failure to achieve and maintain effective controls could adversely affect our business, financial position and results of operations.***

Before we acquired certain of the businesses that now comprise our segments, the financial results of such businesses were reported under U.S. GAAP. Following the acquisition of such businesses, we reported our consolidated results, which include the financial results of such acquired businesses, under IFRS.

The changes in reporting required as a result of the acquisition of certain businesses that now comprise our segments, changes in reporting required as a result of the Dopaco Acquisition and the Graham Packaging Acquisition and the additional reporting obligations under the respective indentures governing the notes, the Existing Notes and the 2007 Notes and the agreement governing the Senior Secured Credit Facilities have placed, and will place, significant additional demand on our management and administrative and operational resources, including our accounting resources. The additional reporting and other requirements of the Exchange Act place further demand on our management and administrative and operational resources, including our accounting resources. In the future, we may not be able to timely prepare and deliver the financial statements required by the Exchange Act and the indentures governing the notes, the Existing Notes and the 2007 Notes and the agreement governing the Senior Secured Credit Facilities. Such failure would constitute an event of default under the notes, the Existing Notes, the 2007 Notes and the Senior Secured Credit Facilities and could affect our business, financial position and results of operations.

***We have had material weaknesses in our internal control over financial reporting in the past. If material weaknesses are detected in the future and if we fail to remediate these material weaknesses or if we fail to maintain effective internal controls over financial reporting, our business could be materially and adversely affected.***

We have had material weakness in our internal controls over financial reporting in the past. For example, certain of our business operations were acquired through transactions that resulted in the businesses being carved out from other companies. In the process of undertaking these carve-out acquisitions, certain accounting and internal control functions that were performed by the seller s corporate and shared services functions were not acquired or were provided by the seller on a limited basis through transitional service arrangements.

During the financial statement audits for the Reynolds consumer products business of our Reynolds Consumer Products segment and our Closures segment for the year ended December 31, 2008, our auditors identified four material weaknesses in our internal control for the Reynolds consumer products business and two material weaknesses in our internal control for Closures, in addition to other significant deficiencies in each case. During the re-issuance of their audit opinion on the financial statements for the years ended December 31, 2007 and 2008 in connection with the Evergreen Transaction, Evergreen s auditors for such periods identified and reported a material weakness in Evergreen s internal control.

The four material weaknesses for the Reynolds consumer products business for the year ended December 31, 2008 related to inadequate account reconciliation processes, inappropriate accounting for aluminum derivatives contracts under IFRS, inadequate controls for our inventory costing and valuation and an aggregation of various control weaknesses related to international operations of the Reynolds consumer products business. The two material weaknesses for Closures for the year ended December 31, 2008 related to inappropriate accounting for certain contracts under the applicable derivatives accounting policy and the aggregation of various control weaknesses related to Closures international operations. The material weakness for Evergreen in each of the 2007 and 2008 fiscal years related to inadequate preparation and review of Evergreen s consolidated statements of cash flows, which resulted in misstatements not being detected in a timely manner and the improper classification of certain cash flow items, including certain related party borrowings. As a consequence of the material weakness for the 2007 and 2008 fiscal periods, Evergreen restated its historical statements of cash flows for the years ended December 31, 2007 and 2008.

Beginning in the second half of 2009, we initiated a number of activities aimed at addressing the material weaknesses of, and enhancing the overall control environment within, the RGHL Group, including our Closures segment and the Reynolds consumer products business of our Reynolds Consumer Products segment. Separately, Evergreen developed and executed a remediation plan for its material weakness. Based on the actions taken with respect to these remediation plans, these material weaknesses were remediated as of December 31, 2010.

If we discover material weaknesses or significant deficiencies in the future, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC, and to prevent fraud, will be adversely affected, and our financial statements could prove to be unreliable. The discovery of further material weaknesses or significant deficiencies in the future could require the

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restatement of prior period operating results. Any of the foregoing could negatively affect the market price and trading liquidity of the notes, result in a breach of the covenants under our debt agreements, cause investors to lose confidence in our reported financial information, subject us to regulatory investigations and penalties and generally materially and adversely impact our business, financial condition, results of operations or cash flows.

**Risks Related to Our Structure, the Guarantees, the Collateral and the Notes**

***Our substantial indebtedness could adversely affect our ability to fulfill our obligations under the notes.***

We have a substantial amount of outstanding indebtedness which would have totaled $18,219 million as of September 30, 2012 on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions. Refer to note 14 of the RGHL Group s interim unaudited condensed financial statements as of September 30, 2012, included elsewhere in this prospectus, for details of the RGHL Group s borrowings as of September 30, 2012.

Our substantial indebtedness could have significant consequences for you. For example, it could:

- make it more difficult for us to generate sufficient cash to satisfy our obligations with respect to the notes and our other indebtedness;
- increase our vulnerability to general adverse economic and market conditions;
- limit our ability to obtain additional financing necessary for our business;
- require us to dedicate a substantial portion of our cash flow from operations to payments in relation to indebtedness, reducing the amount of cash flow available for other purposes, including working capital, capital expenditures, acquisitions and other general corporate purposes;
- require us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet debt payment obligations;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a possible competitive disadvantage compared to our competitors that have less debt;
- expose us to risks that are inherent in interest rate and currency fluctuations because certain of our indebtedness bears variable rates of interest and is in various currencies; and
- subject us to financial and other restrictive covenants, and, if we fail to comply with these covenants and that failure is not waived or cured, could result in an event of default under our indebtedness.

***Despite our substantial indebtedness we may be able to incur substantially more debt.***

Despite our substantial indebtedness we may be able to incur or issue substantial additional debt in the future. Although restrictions on the incurrence of additional debt are contained in the indentures governing the notes and certain of our other outstanding debt securities, in the terms of our Senior Secured Credit Facilities and in our other financing arrangements, these restrictions are subject to a number of qualifications and exceptions. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness as defined in such restrictions, such as certain contingent obligations incurred in the ordinary course of business and deferred or prepaid revenues or marketing fees.

Our ability to incur indebtedness depends, in part, upon our satisfaction of certain financial covenants in the indentures governing the notes and certain of our other outstanding debt securities and in the terms of our Senior Secured Credit Facilities. The indentures governing the notes and certain of our other outstanding debt securities permit us to incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Indebtedness may be incurred under the incurrence tests if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis and, (i) under the indentures that govern the notes and the Existing Senior Secured Notes, the liens securing first lien secured indebtedness do not exceed a 3.50 to 1.00 senior secured leverage ratio and (ii) under the indentures that govern the Existing Senior Notes and the 2007 Notes, the liens securing any secured indebtedness do not exceed a 4.50 to 1.00 secured leverage ratio.

Under the credit agreement governing the Senior Secured Credit Facilities, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of $750 million, subject to pro forma compliance with the Senior Secured Credit Facilities financial covenant. In addition, we may incur incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in an unlimited amount so long as our senior secured first lien leverage ratio does not exceed 3.50 to 1.00 on a pro forma basis and (in the case of incremental senior secured indebtedness under the Senior Secured Credit Facilities only) we are in pro forma compliance with the Senior Secured Credit Facilities financial covenant. The incurrence of unsecured indebtedness, including the issuance of senior notes, and unsecured subordinated indebtedness is also permitted subject to pro forma compliance with the Senior Secured Credit Facilities financial covenant.

The amount of indebtedness that we can incur at any point in time will vary materially as a result of historical and pro forma changes in our earnings, cash flows and performance against agreed ratios and other results and factors.

***Restrictive covenants in the notes and our other indebtedness could adversely affect our business by limiting our operating and strategic flexibility.***

The respective indentures governing the notes and certain of our other outstanding debt securities contain restrictive covenants that limit our ability to, among other things:

- incur or guarantee additional indebtedness or issue preferred stock or disqualified stock, including to refinance existing indebtedness;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make certain investments or certain other restricted payments;
- create or incur liens;
- sell assets;
- agree to limitations on the ability of certain of our subsidiaries to make distributions;
- enter into transactions with affiliates; and
- effect a consolidation, amalgamation or merger.

These restrictive covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In addition, the Senior Secured Credit Facilities contain, and our future indebtedness may contain, other and more restrictive covenants and also prohibit us from prepaying certain of our other indebtedness, including the notes, the Existing Notes and the 2007 Notes, prior to discharge of the Senior Secured Credit Facilities or such future indebtedness. The Existing Senior

Secured Notes and the 2007 UK Intercreditor Agreement also contain restrictions on our ability to prepay the 2007 Notes prior to the redemption of the Existing Senior Secured Notes and, in the case of the 2007 UK Intercreditor Agreement, the Senior Secured Credit Facilities. The Senior Secured Credit Facilities require us to maintain leverage ratios and interest coverage ratios. Our future indebtedness may contain similar or other financial ratios set at levels determined by us and our future lenders. The ability to meet those financial ratios could be affected by a deterioration in our operating results, as well as by events beyond our control, including increases in raw material prices and unfavorable economic conditions, and we cannot assure you that those ratios will be met. It may be necessary to obtain waivers or amendments with respect to covenants under

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the indentures governing the notes and certain of our other outstanding debt securities, the terms of the Senior Secured Credit Facilities or our future indebtedness from time to time, but we cannot assure you that we will be able to obtain such waivers or amendments. A breach of any of these covenants, ratios or restrictions could result in an event of default under the indentures governing the notes and certain of our other outstanding debt securities, the terms of the Senior Secured Credit Facilities or our future indebtedness and any of our other indebtedness or result in cross-defaults under certain of our indebtedness. Upon the occurrence of an event of default under the indentures governing the notes and certain of our other outstanding debt securities, the terms of the Senior Secured Credit Facilities or such other indebtedness, the lenders could terminate their commitment to lend and elect to declare all amounts outstanding under such indebtedness, together with accrued interest, to be immediately due and payable. If the lenders accelerate the payment of that indebtedness or foreclose on the assets securing that indebtedness, including the collateral, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including the notes.

***Our ability to generate the significant amount of cash needed to pay interest and principal on the notes and service our other debt and the ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.***

Our ability to generate sufficient cash flow from operations to make scheduled payments on, or to refinance obligations under, our debt will depend on our financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business-related factors, many of which may be beyond our control. See Risks Related to Our Business above.

As of September 30, 2012, on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions, we would have had $18,219 million of outstanding indebtedness. Our annual cash interest obligations on our Senior Secured Credit Facilities, the notes, the Existing Notes and our other indebtedness are expected to be $1,310 million on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce working capital levels, reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure all or a portion of our debt. In the future, our cash flow and capital resources may not be sufficient to allow us to make payments of principal and interest on our debt. Any alternative measures we may take may not be successful or be on commercially reasonable terms and may not permit us to meet our scheduled debt service obligations, including the payment of interest or principal in respect of the notes. In addition, we may want or need to refinance some or all of our indebtedness prior to maturity. We cannot assure you that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of debt, prevailing market conditions and the debt incurrence restrictions imposed by the agreements governing our debt. In the absence of sufficient cash flow and capital resources, we could face substantial liquidity problems and may be required to dispose of material assets or operations to meet our debt service and other obligations. The indentures governing the notes and the Existing Notes, the terms of the Senior Secured Credit Facilities and the agreements governing our other debt restrict, and our future indebtedness is likely to restrict, both our ability to dispose of assets and the use of proceeds from any such disposition. We cannot assure you that we will be able to consummate any asset sales, or if we do, what the timing of the sales will be or whether the proceeds that we realize will be adequate to meet our debt service obligations when due or that we will be contractually permitted to apply such proceeds for that purpose. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to implement any of these alternative measures, would have a material adverse effect on our business, financial condition and results of operations.

***Mr. Graeme Hart, our strategic owner, controls us through a number of holding companies, including Packaging Holdings Limited, and may have conflicts of interest with the holders of our debt or us in the future.***

Mr. Graeme Hart indirectly owns through Packaging Holdings Limited all of our common stock and the actions he is able to undertake as our sole ultimate shareholder may differ from or adversely affect the interests of our debt holders. Because Mr. Hart ultimately controls our voting shares and those of all of our subsidiaries,

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he has and will continue to have the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as to elect our directors and those of our subsidiaries, to change our management and to approve any other changes to our operations. Additionally, Mr. Hart is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete, directly or indirectly, with us. Mr. Hart may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Finally, because none of our securities are listed on a securities exchange in the United States, we are not subject to certain of the corporate governance requirements of a U.S. securities exchange, including any requirement to have any independent directors.

***An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.***

A significant portion of our outstanding debt, including the indebtedness we have incurred under the Senior Secured Credit Facilities and, potentially, our future indebtedness, bears interest at variable rates. As of September 30, 2012, net of hedging instruments, we would have had $3,232 million of variable rate debt outstanding on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions. As a result, an increase in interest rates, whether because of an increase in market interest rates or an increase in our cost of borrowing, would increase the cost of servicing this debt and could materially reduce our profitability and adversely affect our ability to meet our obligations under the notes. The impact on us of such an increase would be more significant than it would be on some other companies because of our substantial debt.

***The notes are joint and several obligations of a Luxembourg-based société anonyme (public limited liability company), a United States-based corporation and a United States-based limited liability company, each having no independent operations or subsidiaries, and as a result, the Issuers ability to service the notes is dependent on cash flow generated by members of the RGHL Group and their ability and willingness to make distributions to the Issuers.***

US Issuer is a finance company with no operations of its own, and it has no material assets. US Co-Issuer is a finance company with no operations of its own, and its only material assets are certain intercompany proceeds loans to which it is a party. Lux Issuer is a finance company with no operations of its own, and its only material assets are certain intercompany proceeds loans to which it is a party. As a result of the foregoing, the Issuers cash flows and their ability to service their indebtedness, including their ability to pay the interest and principal amount in respect of the notes when due, depend on the performance of the RGHL Group and the ability of members of the RGHL Group to provide funds to the Issuers.

Accordingly, repayment of the Issuers indebtedness, including the notes, depends on the generation of cash flow by the RGHL Group, and (if they are not guarantors of the notes) the ability of RGHL Group members to make such cash available to the Issuers whether by dividend, debt repayment, investment, loan, advance or otherwise. Unless they are guarantors of the notes, members of the RGHL Group do not have any obligation to pay amounts due on such notes or to make funds available for that purpose. Our subsidiaries may not be able to make payments to each Issuer to enable it to make payments in respect of its indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit the Issuers ability to obtain cash from our subsidiaries. While the indentures governing the notes and certain of our other outstanding debt securities limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Issuers, these limitations are subject to certain qualifications and exceptions. In the event that the Issuers do not receive payments from our subsidiaries, they may be unable to make required principal and interest payments on their indebtedness, including the notes. In addition, any payment of interest, dividends, distributions, debt repayments, investments, loans or advances by our subsidiaries to the Issuers could be subject to restrictions on such payments under applicable local law, monetary transfer restrictions, withholding taxes and foreign currency exchange regulations in the jurisdictions in which the subsidiaries operate or under arrangements with local partners.

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***A failure to comply with the debt covenants in the agreements governing our indebtedness could lead to an acceleration of our debt and possibly bankruptcy.***

The Senior Secured Credit Facilities, the indentures governing the notes and the Existing Notes and the terms of our other indebtedness require us, and the terms of our future indebtedness are also likely to require us, to meet certain covenants. A default under any of our debt instruments could result in the accelerated repayment of our debt and possibly bankruptcy. This will negatively impact our ability to fulfill our obligations on the notes and you will not recover your investment in the notes.

***The RGHL Group is required to comply with covenants under its various debt agreements, which may be subject to multiple interpretations.***

The RGHL Group is subject to covenants under its various debt agreements, such as the indentures governing the notes and the Existing Notes and the credit agreement governing the Senior Secured Credit Facilities. These covenants may be subject to multiple interpretations, and, from time to time, parties to our debt agreements may disagree with our interpretation of these covenants. Disagreements with respect to the interpretation of these covenants may result in allegations of non-compliance which could result in a default or event of default under our indebtedness, either of which could materially adversely affect our financial condition.

***If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.***

Any default under the agreements governing our indebtedness that is not cured or waived, as applicable, by the required lenders or noteholders thereunder, and the remedies sought by the holders of such indebtedness, could prevent us from making payments of principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. In the event of any such default, the holders of such indebtedness could elect to declare all outstanding amounts thereunder to be due and payable, together with accrued and unpaid interest, and this may also cause a cross default in our other indebtedness. If our operating performance declines, and we breach our covenants under the agreements governing such indebtedness, we may need to seek waivers from the noteholders and the lenders under the Senior Secured Credit Facilities, or holders of our other indebtedness to avoid being in default. We may not be able to obtain a waiver from the required number of lenders or noteholders. If this occurs, we would be in default under such indebtedness, the lenders or noteholders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. See Description of Certain Other Indebtedness and Intercreditor Agreements and Description of the Senior Secured Notes.

***We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the indenture governing the notes and similar requirements in the agreements governing our other indebtedness.***

If a specified change of control occurs in relation to us, the Issuers (with respect to the notes and the Existing Notes) and the issuer of the 2007 Notes (with respect to the 2007 Notes) would be required to make an offer to purchase all of the outstanding notes, the Existing Notes and the 2007 Notes (as applicable), at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. The occurrence of a change of control under the notes would require that the Senior Secured Credit Facilities, and may require that any of our future indebtedness, be immediately repaid or that we make an offer to repurchase it, possibly at a premium or subject to penalties. The Issuers and the issuer of the 2007 Notes may be dependent on RGHL and its subsidiaries for the funds necessary to cure the events of default, or fund any mandatory prepayment or redemption caused by such change of control event. RGHL and its subsidiaries may not have sufficient financial resources to purchase all of the notes, the Existing Notes and the 2007 Notes that are tendered upon a change of control offer or to redeem such notes. A failure by the Issuers or the issuer of the 2007 Notes to purchase the notes, the Existing Notes and the 2007 Notes after a change of control in accordance with the terms of the applicable indenture requiring such purchases would result in a default under the agreement governing the Senior Secured Credit Facilities and the indentures governing the notes, the Existing Notes and the 2007 Notes and may result in a default under any future indebtedness.

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The occurrence of a change of control may not be under our control and may occur at any time. For example, Packaging Finance Limited, the direct parent of RGHL, has pledged 100% of its shares in RGHL to certain lenders in connection with a financing arrangement. Consequently, it is possible that such lenders may enforce the pledge against Packaging Finance Limited and foreclose on the RGHL shares for reasons outside of our control. Such foreclosure may result in a change of control under the terms of the indenture governing the notes. In the event of a change of control, we cannot assure you that we will have sufficient assets to satisfy all of our obligations under the Senior Secured Credit Facilities, the notes, the Existing Notes, the 2007 Notes, any future indebtedness and any other debt requiring repayment upon such event.

The terms of the Senior Secured Credit Facilities limit, and our future indebtedness may limit, our right to purchase or redeem certain indebtedness. In the event any purchase or redemption is prohibited, we may seek to obtain waivers from the required lenders under the Senior Secured Credit Facilities or our future lenders to permit the required repurchase or redemption, but the required lenders do not have, and our future lenders are unlikely to have, any obligation to grant, and may refuse to grant, such a waiver. See Description of the Senior Secured Notes Change of Control.

***The notes will mature in close proximity to our other indebtedness.***

The notes will mature on October 15, 2020. The February 2012 Senior Notes and the August 2011 Notes will mature on August 15, 2019, the February 2011 Notes will mature on August 15, 2021, the October 2010 Notes will mature on April 15, 2019, the May 2010 Notes will mature on May 15, 2018, the term loans under the Senior Secured Credit Facilities will mature on February 9, 2018, the Pactiv 2018 Notes, will mature on January 15, 2018, Pactiv s 8.125% Debentures due 2017 will mature on June 15, 2017, the 2007 Senior Notes will mature on December 15, 2016, the 2007 Senior Subordinated Notes will mature on June 15, 2017 and the revolving facilities under the Senior Secured Credit Facilities will mature on November 5, 2014. As a result, we may not have sufficient cash to repay all amounts owing on the notes, the Existing Notes, the 2007 Notes or Pactiv s notes and debentures at maturity. Given that the notes, each series of our Existing Notes, the 2007 Notes, the Senior Secured Credit Facilities and certain of Pactiv s indebtedness will mature in close proximity to each other, there can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay such amounts, and the prior maturity of such other indebtedness may make it difficult to refinance the notes and our other indebtedness.

***Not all of our subsidiaries guarantee the notes, and the notes and the guarantees of the notes will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.***

The notes are guaranteed by RGHL, BP I and subsidiaries of BP I that guarantee the Senior Secured Credit Facilities. In the future, other subsidiaries will be required to guarantee the notes only under certain limited circumstances. See Description of the Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors. The indenture governing the notes does not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our non-guarantor subsidiaries.

In the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved, or is otherwise wound up other than as part of a solvent transaction, the assets of such non-guarantor subsidiary will be used first to satisfy the claims of its creditors, including its trade creditors, banks and other lenders. Only the residual equity value will be available to the Issuers and any other guarantor, and only to the extent the Issuers or any guarantor are parent companies of such non-guarantor subsidiary. Consequently, the notes and each guarantee of the notes will be structurally subordinated to claims of creditors of non-guarantor subsidiaries. The indenture governing the notes permits our subsidiaries, including our non-guarantor subsidiaries, to incur additional debt (subject to certain conditions and limitations with respect to restricted subsidiaries) and does not limit their ability to incur trade payables and similar liabilities.

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***Fraudulent conveyance laws and other limitations on the enforceability of the notes, the guarantees and any security securing the notes or related guarantees, may adversely affect the validity and enforceability of the notes, the guarantees and any security securing the notes or related guarantees.***

The notes, the related guarantees and any security securing the notes or the related guarantees may be subject to claims that they should be limited or voided in favor of our existing and future creditors under applicable law, including laws in Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, England and Wales and the United States. In addition, the enforcement of the notes and the guarantees and the amount that can be recovered under a security interest in respect of any asset is limited to the extent of the amount which can be guaranteed by a particular guarantor, security provider, or the Issuers without rendering the applicable guarantee or security voidable or otherwise ineffective under applicable law. Moreover, the enforcement of the notes, guarantees or security against any Issuer, a relevant guarantor or security provider will be subject to certain defenses available to the Issuers, guarantors or security providers generally under (i) the laws of New York, which govern the notes and the guarantees, (ii) the laws governing the relevant security document, and (iii) laws applicable to companies and other corporate entities in the jurisdiction in which the relevant Issuer or guarantor or, if applicable, security provider is organized. These laws and defenses include those that relate to fraudulent conveyance or transfer, fraudulent or voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization, unlawful dividend and defenses affecting the rights of creditors or other stakeholders generally. See Certain Insolvency and Other Local Law Considerations for additional information.

Although laws differ significantly among jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any note obligation, guarantee or security obligation if it found that at the time any Issuer, guarantor or security provider, as applicable, issued the notes or incurred obligations under a guarantee or any security, such Issuer, guarantor or security provider did so with the intent of preferring, hindering, delaying or defrauding current or future creditors, or received less than reasonably equivalent value or fair consideration for issuing the notes, incurring the guarantee or providing the security, as applicable, and:

- was insolvent or was rendered insolvent by reason of the incurrence of the indebtedness constituting the notes or the guarantee or providing the security, as applicable;
- was engaged, or about to engage, in a business or transaction for which its assets constituted unreasonably small capital;
- intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured;
- was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, after final judgment the judgment is unsatisfied; or
- in the case of a guarantee or security, the guarantee or security was not in the best interests or for the benefit of the guarantor or security provider.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in the relevant legal proceeding. Generally, however, an issuer, guarantor or security provider could be considered insolvent if:

- it has failed to pay an amount that is due and in relation to which the creditor has served a written demand;
- it has failed to pay its liabilities generally as they become due;
- the sum of its debts, including contingent liabilities, is greater than its assets, at a fair valuation; or

the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

We cannot give you any assurance as to what standards a court would use to determine whether the issuer of the 2007 Notes or any Issuer, guarantor or security provider was solvent at the relevant time, or whether, notwithstanding the standard used, the notes or the applicable guarantee or security would not be avoided on other grounds, including those described above.

A company s guarantee of the notes could be subject to the claim that, since the guarantor incurred its guarantee for the benefit of its affiliates (the issuers of the notes), and only indirectly for the benefit of the guarantor, its obligations under its guarantee were incurred for less than reasonably equivalent value or fair consideration. If a court held that the guarantee should be avoided as a fraudulent conveyance, the court could avoid, or hold unenforceable, the guarantee, which would mean that noteholders would not receive any payments under such guarantee, and the court could direct holders of the notes to return any amounts that they had already received from the applicable guarantor.

Each guarantee of the notes will contain a provision, referred to as the savings clause, intended to limit the guarantor s liability to the maximum amount that it could incur without causing its guarantee to be a fraudulent transfer. However, this provision may automatically reduce the guarantor s obligations to an amount that effectively makes the guarantee worthless and, in any case, this provision may not be effective to protect a guarantee from being avoided under fraudulent transfer laws. For example, in 2009, the U.S. Bankruptcy Court in the Southern District of Florida in Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp N. Am., Inc. found a savings clause provision in that case to be ineffective and held these guarantees to be fraudulent transfers and voided them in their entirety.

Laws similar to those described above may also apply to any future guarantee or security granted by one of our subsidiaries. For information about certain insolvency and other local law considerations of different jurisdictions that we or our subsidiaries are subject to, see Certain Insolvency and Other Local Law Considerations.

***Insolvency laws could limit your ability to enforce your rights under the notes, the guarantees and the security.***

Any insolvency proceedings with regard to any Issuer, guarantor or security provider would most likely be based on and governed by the insolvency laws of the jurisdiction under which the relevant entity is organized. As a result, in the event of insolvency with regard to any of these entities, the claims of holders of the notes against any Issuer, guarantor or security provider may be subject to the insolvency laws of its jurisdiction of organization. The provisions of such insolvency laws differ substantially from each other, including with respect to rights of creditors, priority of claims and procedure and may contain provisions that are unfavorable to holders of notes. In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in cross-border insolvency proceedings. See Certain Insolvency and Other Local Law Considerations.

As a general matter, under insolvency law, any Issuer s, any guarantor s or any security provider s liabilities in respect of the notes, the guarantees and security may, in the event of insolvency or similar proceedings, rank junior to certain of such Issuer s, guarantor s or security provider s debts that are entitled to priority under the laws of such jurisdiction. Debts entitled to priority may include (i) amounts owed in respect of employee pension schemes, (ii) certain amounts owed to employees, (iii) amounts owed to governmental agencies, including tax authorities, and (iv) expenses of an insolvency practitioner. In addition, in some jurisdictions, an examiner or administrator or similar party may be legally required to consider the interest of third parties (including, for example, employees) or the best interests of the relevant company in connection with the proceedings. In certain cases, the ability of a holder to collect interest accruing on the notes in respect of any period after the commencement of liquidation proceedings and a holder s rights in respect of the guarantees may be limited.

***Enforcing your rights as a holder of the notes or under the guarantees or the security across multiple jurisdictions may be difficult.***

The notes are joint and several obligations of the Issuers. The notes are guaranteed by certain of our subsidiaries which are organized under the laws of Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, England and Wales and the United States. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions or in the jurisdiction of organization of a future guarantor. The rights of holders under the notes, the guarantees and the security granted will be subject to the laws of several jurisdictions and holders of the notes may not be able to enforce effectively their rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors rights. See Certain Insolvency and Other Local Law Considerations.

In addition, the bankruptcy, insolvency, foreign exchange, administration and other laws of the various jurisdictions in which the Issuers, guarantors and security providers are located may be materially different from or in conflict with one another and those of the United States, including in respect of creditors rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The consequences of the multiple jurisdictions involved in the transaction could trigger disputes over which jurisdiction s law should apply and choice of law disputes which could adversely affect the ability of noteholders to enforce their rights and to collect payment in full under the notes, the guarantees and any security. See Certain Insolvency and Other Local Law Considerations.

The beneficial owners of the notes are not party to any of the security documents. Therefore, in certain jurisdictions, such as Germany, Austria, Switzerland, Hungary and the Netherlands, there are risks regarding the enforceability of the security interests granted by an issuer or guarantor in favor of the holders of the notes. Under the First Lien Intercreditor Agreement and certain of the security documents with respect to the collateral securing the Existing Senior Secured Notes and the Senior Secured Credit Facilities, the collateral agents hold secured claims equal to the amount of the Existing Senior Secured Notes and the Senior Secured Credit Facilities, for the benefit of the applicable secured parties thereunder pursuant to a parallel debt undertaking. This parallel debt undertaking will extend to the obligations with respect to the notes for the benefit of the trustee and the holders of the notes. Accordingly, the rights of the holders of the notes are not directly secured by the pledges of the collateral but through this parallel claim. The parallel claim is acknowledged by the applicable issuer or guarantor by way of a parallel debt undertaking to the collateral agent. The parallel debt undertaking secures the notes and the relevant guarantees and the collateral secures claims under the parallel debt undertaking. There is uncertainty as to the enforceability of this procedure in many jurisdictions, including Germany, Austria, Switzerland, Hungary and the Netherlands. For example, this procedure has not yet been tested under German, Austrian, Swiss, Hungarian or Dutch law, and we cannot assure you that it will eliminate or mitigate the risk of unenforceability posed by German, Austrian, Swiss, Hungarian, or Dutch law or the law of any other jurisdiction where parallel debt is used. See Enforcement of Civil Liabilities and Certain Insolvency and Other Local Law Considerations.

***You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers.***

Many of our directors and executive officers and many of the guarantors as well as the Lux Issuer are, and will continue to be, non-residents of the United States, and most of the assets of these companies are located outside of the United States. As a consequence, you may not be able to effect service of process on the Lux Issuer and guarantors located outside the United States or the non-United States resident directors and officers in the United States or to enforce judgments of United States courts in any civil liabilities proceedings under the United States federal securities laws. Moreover, any judgment obtained in the United States against the non-resident directors, the executive officers, the Lux Issuer, the issuer of the 2007 Notes or the guarantors, including judgments with respect to the payment of principal, premium, if any, and interest on the notes, may not be collectible in the United States. There is also uncertainty about the enforceability in the courts of certain jurisdictions, including judgments obtained in the United States against certain of the guarantors, whether or not predicated upon the federal securities laws of the United States. See Enforcement of Civil Liabilities.

In particular, Lux Issuer is a public limited liability company (société anonyme) organized under the laws of Luxembourg. Certain of its officers and directors are residents of various jurisdictions outside the United States. All or a substantial portion of their assets may be located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to enforce judgments obtained against such persons in United States courts and predicated upon the civil liability provisions of the United States federal securities laws.

In addition, since the United States and Luxembourg are not currently party to a treaty with respect to the mutual recognition and enforcement of civil judgments, a judgment obtained against a Luxembourg company in the United States courts in a dispute with respect to which the parties have validly agreed that such courts are to have jurisdiction, will not be directly enforced by the courts in Luxembourg. In order to obtain a judgment which is enforceable in Luxembourg, the claim must be re-litigated before a competent court of Luxembourg. The relevant Luxembourg court will have discretion to attach such weight to a judgment of the courts of the United States as it deems appropriate based on Luxembourg case law. The courts of Luxembourg may recognize the binding effect of a final, conclusive and enforceable money judgment of a court of competent jurisdiction in the United States provided that certain conditions as set forth in Article 678 *et seq.* of the Luxembourg New Code of Civil Procedure are satisfied. As a result, even if a favorable judgment is obtained against the Lux Issuer in the United States, such judgment might not be enforced by the courts in Luxembourg and may need to be re-litigated in Luxembourg. See Enforcement of Civil Liabilities Luxembourg.

***The calculation of EBITDA pursuant to the indenture governing the notes permits certain estimates and assumptions that may differ materially from actual results, and the estimated savings expected from our cost saving plans may not be achieved.***

Although all of the combined and stand-alone EBITDA and Adjusted EBITDA presentations included in this prospectus are derived from our or our acquired companies financial statements, pro forma or historical, as the case may be, the various combined and stand-alone calculations of EBITDA and Adjusted EBITDA presented in this prospectus permit certain estimates and assumptions that may differ materially from actual results. Although we believe these estimates and assumptions are reasonable, investors should not place undue reliance upon any of these calculations given how they are calculated and the possibility that the underlying estimates and assumptions ultimately may not reflect actual results.

Potential investors should regard the assumptions with considerable caution and are urged to evaluate the potential for our results to deviate from the assumptions set out in Summary Summary Historical and Pro Forma Combined Financial Information and the implications of deviations in different assumptions on other assumptions and on our income and cash flows.

***We have not presented individual financial statements or summary financial data for the guarantors of the notes (other than RGHL and BP I), the Issuers or other members of the RGHL Group and are not required to do so in the future under the indenture governing the notes.***

We have not presented individual financial statements or summary financial data for the guarantors of the notes (other than RGHL and BP I), the Issuers or other members of the RGHL Group in this prospectus and may not be required to do so in the future under the indenture governing the notes. The absence of financial statements for the Issuers and the guarantors (other than RGHL and BP I) may make it difficult for holders of the notes to assess the financial condition or results of the Issuers and the guarantors or their compliance with the covenants in the indenture governing the notes.

***Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes.***

Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes and the notes are and will be structurally subordinated to all claims of creditors, including trade creditors, of such non-U.S. subsidiaries.

In addition, any pledge of the securities of any first tier non-U.S. subsidiaries of our U.S. subsidiaries will be limited to 100% of their non-voting capital stock and 65% of their voting capital stock. There will be no pledge of the capital stock of non-U.S. subsidiaries of our U.S. subsidiaries other than with respect to certain of our first-tier non-U.S. subsidiaries. The notes have not and will not be secured by a pledge of the assets of any non-U.S. subsidiary of our U.S. subsidiaries. Accordingly, the notes are and will be effectively subordinated to such non-U.S. subsidiaries secured liabilities and obligations to the extent of the value of any assets that secure such liabilities and obligations.

We are not required to reorganize our corporate structure such that any non-U.S. subsidiaries of our U.S. subsidiaries will provide a guarantee or a pledge of their assets or such that a pledge of 100% of their voting capital stock can be granted.

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***Certain jurisdictions may impose withholding taxes on payments under the notes, guarantees or security documents or impose foreign exchange restrictions which may alter or reduce the amount recoverable by noteholders.***

Payments made under the notes, guarantees or security granted by guarantors, security providers and the Issuers in certain jurisdictions may be subject to withholding tax, the amount of which will vary depending on the residency of the recipient, the availability of double-tax treaty relief and your legal relationship with the relevant guarantor, Issuer or security provider. In certain circumstances holders may be entitled to receive additional amounts in respect of such withholding tax, other than withholding tax imposed or levied by or on behalf of the United States or any political subdivision or governmental authority thereof or therein having power to tax. See Description of the Senior Secured Notes Withholding Taxes. In addition, government or central bank approvals may be required in order for a guarantor, Issuer or security provider organized under the laws of certain jurisdictions, such as Thailand, to remit payments outside that jurisdiction under its guarantee or security.

In addition, foreign exchange controls applicable in certain jurisdictions may limit the amount of local currency that can be converted into other currencies, including dollars, upon enforcement of a guarantee or security interest.

***You may face currency exchange risks by investing in the notes.***

The notes are denominated and payable in dollars. If you measure your investment returns by reference to a currency other than dollars, investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the dollar relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the dollar against the currency in which you measure your investment returns would cause a decrease in the effective yield of the notes below their stated coupon rates and could result in a loss to you when the return on the notes is translated into the currency in which you measure your investment returns. There may be tax consequences for you as a result of any foreign exchange gains or losses resulting from your investment in the notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the notes.

***Our access to capital markets, our ability to enter into new financing arrangements and our business operations could be significantly impaired if our credit ratings are downgraded.***

Downgrades in our credit ratings could adversely affect our ability to access the capital markets and/or lead to increased borrowing costs in the future, although the interest rates on our current indebtedness would not be affected. Some rating agencies that provide corporate ratings on us or provide ratings on our debt may downgrade their corporate or debt ratings with respect to us. In addition, perceptions of us by investors, producers, other businesses and consumers could also be significantly impaired.

***Because each guarantor s or security provider s liability under its guarantee or security may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors or security providers.***

The notes have the benefit of the guarantees of and security from RGHL, BP I and certain of its subsidiaries, including the Issuers. However, the guarantees and the security are limited to the maximum amount that the guarantors or the security providers are permitted to guarantee and secure under applicable law. As a result, a guarantor s or a security provider s liability under a guarantee or in respect of security could be reduced to zero depending on the amount of other obligations of such entity. Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee or in respect of security, or subordinate the guarantee or security to other obligations of the guarantor or security provider. See Fraudulent conveyance laws and other limitations on the enforceability of the notes, the guarantees and any security securing the notes or related guarantees, may adversely affect the validity and enforceability of the notes, the guarantees and any security securing the notes or related guarantees. In addition, you will lose the benefit of a particular guarantee and security if it is released under certain circumstances described under Description of the Senior Secured Notes Senior Secured Note Guarantees.

As a result, an entity s liability under its guarantee or its security, could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee or security interest granted by a company that is not in the company s corporate interests or where the burden of that guarantee or security exceeds the benefit to the company may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee or security and that the applicable court may determine that the guarantee or security should be limited or voided. In the event that any guarantees or security are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee or secured obligation apply, the notes would rank *pari passu* with, or be effectively subordinated to, all liabilities of the applicable guarantor, including trade payables of such guarantor.

***Relevant local insolvency laws may not be as favorable to you as U.S. bankruptcy laws and may preclude holders of the notes from recovering payments due.***

Certain members of the RGHL Group that are either an issuer or guarantors or security providers (subject to certain exceptions) are organized under the laws of Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand or England and Wales. The procedural and substantive provisions of the insolvency laws of these countries may not be as favorable to creditors as the provisions of U.S. law.

See Certain Insolvency and Other Local Law Considerations for a description of the insolvency laws in Australia, Austria, Brazil, British Virgin Islands, Canada, Germany, Guernsey, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand and England and Wales that could limit the enforceability of the guarantees or the security.

In the event that any one or more of the Issuers, the guarantors, security providers, any future guarantors or security providers or any other of our subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Pursuant to the European Union regulation on insolvency proceedings, any insolvency proceeding with regard to any Issuer, guarantor or security provider located within the European Union would most likely be held in, based on and governed by the insolvency laws of the jurisdiction of the relevant entity s center of main interests, which will not necessarily be the country in which it is incorporated. We cannot assure you as to how that regulation will be applied in insolvency proceedings relating to several jurisdictions within the European Union.

Primary note obligations, guarantees and security provided by entities organized in jurisdictions not summarized in this prospectus and, in the case of a security governed by the laws of a jurisdiction not summarized in this prospectus, are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the primary note obligations, the guarantees and security after bankruptcy or an insolvency event in such other jurisdictions will possibly be subject to the insolvency laws of the relevant entity s jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction s laws should apply, adversely affect your ability to enforce your rights under the guarantees and security in these jurisdictions and limit any amounts that you may receive.

***Holders of the notes will not control certain decisions regarding collateral.***

The trustee and collateral agents for the holders of the notes and the Existing Notes and the administrative agent under the Senior Secured Credit Facilities have entered into the First Lien Intercreditor Agreement. The First Lien Intercreditor Agreement provides, among other things, that the lenders under the Senior Secured Credit Facilities will control substantially all matters related to the collateral that secures the Senior Secured Credit Facilities, which collateral also secures the Existing Senior Secured Notes and the notes, and the lenders under the Senior Secured Credit Facilities may direct the collateral agents to foreclose on or take other actions with respect to such collateral with which holders of the notes may disagree or that may be contrary to the interests of holders of the notes. In addition, the First Lien Intercreditor Agreement provides that, to the extent any collateral securing our obligations under the Senior Secured Credit Facilities is released to satisfy such creditor s claims in connection with such a foreclosure, the liens on such collateral securing the notes will also automatically be released without any further action by the trustee, collateral agents or the holders of the notes and the holders of the notes will agree to waive certain of their rights relating to such collateral in connection with a bankruptcy or insolvency proceeding involving us or any guarantor of the notes. The First Lien Intercreditor Agreement provides that the holders of the notes may not take any actions to direct foreclosures or take other remedial actions following an event of default under the Senior Secured Credit Facilities or the notes for at least 90 days and longer if the administrative agent under the Senior Secured Credit Facilities takes action to direct foreclosures or other actions following such event of default.

After the discharge of the obligations with respect to the Senior Secured Credit Facilities whether on enforcement or repayment (other than repayment with indebtedness incurred under an agreement designated as a Credit Agreement for the purposes of the First Lien Intercreditor Agreement), at which time the parties to the Senior Secured Credit Facilities will no longer have the right to direct the actions of any collateral agent with respect to the collateral pursuant to the First Lien Intercreditor Agreement, that right passes to the authorized representative of holders of the next largest outstanding principal amount of indebtedness secured by a first lien on the collateral. If the aggregate principal amount of any series of the Existing Senior Secured Notes outstanding at such time exceeds the aggregate principal amount of the notes or if we issue additional first lien indebtedness in the future in a principal amount greater than the outstanding principal amount of the notes, then the trustee for such series of the Existing Senior Secured Notes or the authorized representative for such additional indebtedness, as applicable, would be next in line to direct the senior collateral agent to exercise rights under the First Lien Intercreditor Agreement, rather than the trustee for the notes.

In addition, subject to certain conditions, the security documents generally allow us and our subsidiaries to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral. This may impact the type and quality of the security interest granted in respect of the collateral. In addition, to the extent we sell any assets that constitute collateral, the proceeds from such sale will be subject to a lien securing the notes only to the extent such proceeds would otherwise constitute collateral securing the notes under the security documents. To the extent the proceeds from any sale of collateral do not constitute collateral under the security documents, the pool of assets securing the notes would be reduced and the notes would not be secured by the proceeds of the sale.

***There may not be sufficient collateral to satisfy our obligations under all or any of the notes.***

Much of our assets are not and will not be collateral for the notes, and no appraisals of the fair market value of any assets that are collateral were prepared in connection with the offering of the notes. The assets that will be excluded from the collateral include all assets of foreign subsidiaries of our U.S. subsidiaries and a number of Pactiv s real properties. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the collateral. The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of our assets will not constitute collateral for the notes or our other secured indebtedness. Accordingly, the value of the collateral securing our indebtedness, including the notes, the Existing Senior Secured Notes and the Senior Secured Credit Facilities and our other indebtedness that shares in the collateral, could be substantially less than the aggregate principal amount of our secured indebtedness. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value or market. While we do not presently believe the Existing Senior Secured Notes or our other secured indebtedness are under-collateralized, the value of the assets pledged as collateral for the notes or our other secured indebtedness could be impaired in the future as a result of changing economic conditions in the relevant jurisdictions, changing legal regimes, our failure to implement our business strategy, competition and other future trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the collateral may be insufficient to pay our obligations under the notes, the Existing Senior Secured Notes or our other secured indebtedness.

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Most of the collateral is subject to the prior or equal claims of other creditors which could diminish any recovery from the collateral. Certain other creditors may have permitted liens which rank prior to the liens of the noteholders in the collateral. In addition, certain other creditors may have permitted liens which rank junior to the liens of the noteholders in the collateral. The indenture governing the notes also permits us to incur additional indebtedness that may share in the collateral on a senior or equal lien priority basis. Any additional obligations secured by a lien on the collateral securing the notes, whether effectively or actually senior to or equal with the lien in favor of the notes will adversely affect the relative position of the holders of such notes with respect to the collateral securing such notes. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, the proceeds of the enforcement against the collateral will be used first to pay the secured parties under any indebtedness secured on a senior lien priority basis over the collateral in full before making any payments on the notes and any other indebtedness with an equal lien on the collateral. Any notes remaining outstanding will be general unsecured claims that are equal in right of payment with our other unsecured unsubordinated or subordinated indebtedness, as relevant. The presence of junior liens may also impair the value recoverable from the collateral.

As of September 30, 2012, on a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions, we would have had outstanding $9,912 million of secured indebtedness with an equal claim to the collateral as the holders of the notes.

***The value of the collateral securing the notes may not be sufficient to secure post-petition interest.***

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against any issuer, guarantor or security provider located in the United States, holders of the notes will only be entitled to post-petition interest under the U.S. federal bankruptcy code to the extent that the value of their security interest in the collateral is greater than their pre-bankruptcy claim. Holders of the notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral securing the notes. As a result, holders of the notes that have a security interest in collateral with a value equal to or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the bankruptcy code. In addition, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the notes on the date of the bankruptcy filing was less than the then-current principal amount of the notes. Upon a finding by a bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement for holders of the notes to receive post-petition interest and a lack of entitlement for holders of the unsecured portion of the notes to receive other adequate protection under U.S. federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be re-characterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the notes. No appraisal of the fair market value of the collateral was prepared in connection with the offering of the notes and we therefore cannot assure you that the value of the noteholders interest in the collateral equals or exceeds the principal amount of the notes. See There may not be sufficient collateral to satisfy our obligations under all or any of the notes. In addition, in certain other jurisdictions, holders of notes may not be entitled to post-petition interest. See Certain Insolvency and Other Local Law Considerations.

***The pledge of the securities of our subsidiaries that secures the notes, subject to certain exceptions, will automatically be released to the extent and for so long as that pledge would require the filing of separate financial statements with the SEC for that subsidiary. As a result of any such release, the notes could be secured by less collateral than our other first-lien indebtedness, including the Senior Secured Credit Facilities.***

The notes are secured by a pledge of the stock and other securities of certain of our subsidiaries held by the Issuers or the guarantors of the notes. Under the SEC regulations in effect as of the issue date of the notes, if the par value, book value as carried by us or market value, whichever is greatest, of the capital stock, other securities or similar items of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. The indenture governing the notes provides that any portion of the capital stock and other securities of any of our subsidiaries will be excluded from the collateral to the extent that it exceeds the maximum amount of such capital stock or other security that can be pledged to secure the notes without causing such subsidiary to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X or another similar rule, except that such exclusion will not apply to shares of BP I at any time. As a result, holders of the notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries during that period. We conduct substantially all of our business through our subsidiaries, many of which have capital stock with a value in excess of 20% of the aggregate principal amount of the notes. Accordingly, the pledge of stock and securities with respect to each such subsidiary will be limited in value to less than 20% of the aggregate principal amount of the notes. As a result, holders of the notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries during that period. It may be more difficult, costly and time-consuming for holders of the notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary. In addition, the lenders under the Senior Secured Credit Facilities are not subject to such limitation and may have security interests which are substantially more valuable as a result thereof.

***The collateral securing the notes may be diluted under certain circumstances.***

The collateral that secures the notes, subject to certain limited exceptions, also secures obligations under our Senior Secured Credit Facilities. In addition, this collateral may secure additional senior indebtedness that we or our restricted subsidiaries incur in the future, subject to restrictions on our or their ability to incur debt and liens under the indenture governing the notes and other agreements governing our indebtedness. Your rights would be diluted by any increase in the amount of indebtedness secured by this collateral.

***The collateral is subject to casualty risk.***

Even if we maintain insurance, there are certain losses that may be either uninsurable or not economically insurable, in whole or part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any collateral, the insurance proceeds may not be sufficient to satisfy all of our obligations, including the notes and related guarantees.

***We may not complete lien searches on the collateral securing the notes.***

As of the date of this prospectus, we may not have completed lien searches on the collateral securing the notes in those jurisdictions where it is possible to conduct such lien searches. Such lien searches could reveal a prior lien or multiple prior liens on the collateral securing the notes and such liens may prevent or inhibit the collateral agents from foreclosing on the liens securing the notes and may impair the value of the collateral securing the notes. We cannot guarantee that the completed lien searches will not reveal any prior liens on the collateral securing notes or that there are no prior liens in jurisdictions where lien searches are not possible. Any prior lien could be significant, could be prior to the liens securing the notes and could have an adverse effect on the ability of the collateral agents to realize or foreclose upon the collateral securing the notes.

***Any security granted over collateral might be avoided by a trustee in bankruptcy.***

Any security granted over collateral in favor of any collateral agents, including pursuant to security documents delivered after the date of the indenture governing the notes, might be avoided by the grantor, as debtor-in-possession, or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the grantor is insolvent at the time of granting the security or becomes insolvent as a result of entering into the security or associated documentation, including a guarantee, or a bankruptcy proceeding in respect of the security provider is commenced within a specified number of days following the granting of the security.

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***In the event that the First Lien Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor of the notes in some foreign jurisdictions will not rank pari passu with the liens in favor of the Existing Senior Secured Notes and the Senior Secured Credit Facilities.***

The security documents that create the liens in favor of the notes, the Existing Senior Secured Notes and the Senior Secured Credit Facilities with respect to certain foreign collateral rely on the First Lien Intercreditor Agreement for establishing the relative priorities of the holders of the notes, the holders of the Existing Senior Secured Notes and the lenders and other secured parties under the Senior Secured Credit Facilities. Because the priority of the notes with respect to such foreign collateral as compared to the Existing Senior Secured Notes and the Senior Secured Credit Facilities depends, in certain instances, on the enforceability of the First Lien Intercreditor Agreement, if the First Lien Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor of the notes, in certain jurisdictions, will not rank *pari passu* with the liens in favor of the Existing Senior Secured Notes and the Senior Secured Credit Facilities. In such a situation the claims of the holders of the notes will be effectively subordinated to claims of the holders of the Existing Senior Secured Notes and the lenders and other secured parties under the Senior Secured Credit Facilities to the extent of the value of the assets secured by such liens.

***Security interests in respect of the collateral may be adversely affected by the failure to perfect security interests in certain collateral presently owned or acquired in the future.***

The security interest in the collateral securing the notes includes assets now owned or, to the extent permitted by applicable laws, acquired or arising in the future. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustee or any collateral agent will monitor, or that we will inform the relevant trustee or any collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly create or perfect the security interest in such after-acquired collateral. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the notes against third parties. In addition, we are not required to take certain perfection steps in respect of particular assets, whether owned now or acquired in the future, in certain jurisdictions for cost or commercial reasons or such perfection steps may only occur at the time of enforcement. For example, although certain of our trade receivables may be assigned by way of security, we are not required, and do not intend, to notify the obligor of such receivables of the existence of such security, which may impair the effectiveness of the security interest.

Certain of the jurisdictions where you have the benefit of a security interest in collateral securing the notes do not have public, or other third party, registers where liens, pledges or other forms of security interests may be centrally recorded and if they do have such registers, registration may not be compulsory to protect a secured party s interests or any registration may not be made or, when made, may not be effective to create priority over other security granted prior to the registration being made. As a result, in these jurisdictions the trustee or collateral agent must rely on any representations and warranties given by us that there are no liens, pledges or applicable other security interests already in place. There can be no assurance that we will accurately inform the relevant trustee or any collateral agent of the status of the collateral securing the notes and the value of the security interest may be adversely affected thereby.

In addition, in certain jurisdictions security interests created over particular assets can only be perfected by possession of the asset by the secured party. The terms of the security documents may not require possession to be granted to the secured party until enforcement, meaning that the security interest will remain unperfected until possession is granted.

***Rights of holders of the notes may be adversely affected by bankruptcy proceedings in the United States.***

The right of the collateral agents to repossess and dispose of the collateral securing the notes upon acceleration is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after any collateral agent has repossessed and disposed of the collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as any collateral agent, is prohibited

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from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection. The meaning of the term adequate protection may vary according to circumstances, but it is intended in general to protect the value of the secured creditor s interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when any collateral agent would repossess or dispose of the collateral, or whether or to what extent holders of the notes would be compensated for any delay in payment of loss of value of the collateral through the requirements of adequate protection. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes would have undersecured claims as to the difference. U.S. federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys fees for undersecured claims during the debtor s bankruptcy case.

***We may not obtain consents and notifications required in order to enable us to grant certain of the security proposed to be granted to secure the notes.***

In order to perfect security interests over certain of the collateral it may be necessary to obtain third-party consents and provide certain notifications. These include consents and notifications in respect of contracts such as those with trade creditors and insurance contracts where the consent of the counterparties is required before any security can be perfected in respect of such contracts. We cannot assure you that we will obtain such consents and if they are not obtained the security interests in such collateral may not be enforceable. In certain cases the terms of the security documents do not require us to obtain such consents at all or, if they do, it is not required until enforcement occurs.

***Security providers may own assets outside the respective jurisdictions in which they were formed.***

The guarantors, security providers and issuers granting security in respect of the notes may own collateral located outside the respective jurisdictions in which such guarantors, security providers or issuers were formed. Where this is the case, the relevant security documents may not purport to create security interests over such collateral. In circumstances where the security documents purport to create security interests over such collateral, such security interests may not be effective, or the enforcement of such security interests in the jurisdiction in which the collateral is located may not be possible.

***The use of collateral agents may diminish the rights that a secured creditor would otherwise have with respect to the collateral.***

In most cases, the collateral will be taken in the name of a collateral agent for the benefit of the holders of the notes and the trustee. As a result, any collateral agent may effectively control actions with respect to collateral which may impair the rights that a noteholder would otherwise have as a secured creditor. Any collateral agent may take actions that a noteholder disagrees with or may fail to take actions that a noteholder wishes to pursue. For example, a collateral agent could decide to credit bid using the value of a noteholder s secured claim even if such noteholder would not individually have done so.

Furthermore, any collateral agent may fail to act in a timely manner, which could impair the recovery of the noteholders.

In addition, in instances where any collateral agent cannot, or it is impractical for it to, hold a security interest, a gratuitous bailee may hold the security interest for the benefit of the noteholders. The holders will have no rights against any such gratuitous bailee.

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***The collateral agents may not be able to possess certain collateral on enforcement and may also be prevented from holding security interests in certain collateral.***

Applicable laws may restrict the ability of a foreign entity that holds a security interest in particular collateral from taking possession of that collateral on enforcement. In addition, certain jurisdictions restrict the ability of foreign entities to hold the benefit of security interests over certain assets. This may mean that any collateral agent may be unable to benefit from security interests in certain collateral and may also restrict the ability of such collateral agent to transfer collateral into its name on enforcement.

***Intercompany movements of collateral may diminish the assets that serve as collateral and the priority of noteholder liens with respect to collateral.***

We are generally permitted to freely move assets within the RGHL Group subject to certain restrictions. However, not all members of the RGHL Group are or will be guarantors, security providers or issuers or grant security over the same type of assets. If collateral is transferred to an entity that is not a guarantor, security provider, or issuer, the interests of the noteholders will cease to be secured by such assets.

If collateral is moved to another entity that is a guarantor, security provider or issuer, the asset may cease to be collateral or your priority in the asset may be impaired. If a type of collateral is transferred to a guarantor that does not grant security interests, as is the case with respect to guarantors organized in Japan, Costa Rica and Australia, or does not grant security interests with respect to that particular type of asset, then the noteholders will lose the benefit of such collateral. Even if the asset continues as collateral in the hands of the recipient entity, there may be hardening periods or notification requirements before the security interest becomes effective or the security interest might not be as beneficial to noteholders as it was in the possession of the transferring entity.

***The notes are subject to complex intercreditor agreements governing the relationship between numerous creditors with respect to rights to payments and collateral across several jurisdictions, and there is no certainty as to how or if any court would enforce the intercreditor agreements.***

The relationship among the holders of the notes and our other creditors is governed by two intercreditor agreements. The relationship among the holders of the notes, the holders of the Existing Senior Secured Notes, the lenders and other secured parties under the Senior Secured Credit Facilities and creditors under any other series of future first lien indebtedness is governed by the First Lien Intercreditor Agreement which is governed by New York law. See Description of Certain Other Indebtedness and Intercreditor Agreements First Lien Intercreditor Agreement. The relationship among the holders of the notes, the holders of the Existing Senior Secured Notes and the lenders and other secured parties under the Senior Secured Credit Facilities on the one hand and the holders of the 2007 Notes on the other hand is subject to the 2007 UK Intercreditor Agreement, which is governed by English law. See Description of Certain Other Indebtedness and Intercreditor Agreements 2007 UK Intercreditor Agreement.

These intercreditor agreements collectively govern the relationship among certain of our creditors which are located in several countries and have disparate interests. In addition, they govern creditor rights with respect to payment obligations from members of the RGHL Group and collateral located in different countries. Due to the complexity of the agreements, there is no certainty how a court would interpret the interaction among the parties. The complexity may also increase the time required to resolve any disputes among creditors and may impair or delay any recovery under the notes and guarantees. Also, given that the agreements govern matters in several countries, there is no certainty to what extent, if at all, any court would enforce the provisions.

***There is currently no public market for the notes. We cannot assure you that an active trading market will develop for the notes, in which case your ability to transfer the notes, as applicable, will be limited.***

The new notes are new securities for which there presently is no established public market. We cannot give you any assurance as to the development or maintenance of any active trading market for the notes or, if a market does develop for the notes, the liquidity of such market, your ability to sell your notes or the price at which you may be able to sell your notes. Future prices of the notes will depend on many factors, including:

- our operating performance and financial conditions;

- the interest of securities dealers in making a market; and

- the market for similar securities.

In addition, the liquidity of the trading markets for the new notes, and the market prices quoted for the new notes, may be adversely affected by changes in the overall market for high-yield securities and by changes in our financial performance or in the prospects of companies in our industry generally. As a result, you cannot be certain that active trading markets will develop for the notes or, if such markets develop, that they will be maintained.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices and liquidity of securities similar to the notes. The market, if any, for the new notes may be subject to similar disruptions and any such disruptions may adversely affect the value of the notes.

***Since the outstanding old notes will continue to have restrictions on transfer and cannot be sold without registration under securities laws or exemptions from registration requirements, you may have difficulty selling the old notes that you do not exchange.***

If a large number of the old notes are exchanged for the new notes issued in the exchange offer, it may be difficult for holders of outstanding old notes that are not exchanged in the exchange offer to sell their old notes, since those old notes may not be offered or sold unless they are registered or unless there are exemptions from registration requirements under the Securities Act or state laws that apply to them. In addition, if there are only a small number of old notes outstanding, there may not be a very liquid market for those old notes. There may be few investors that will purchase unregistered securities for which there is not a liquid market.

In addition, if you do not tender your outstanding old notes or if we do not accept some outstanding old notes, those old notes will continue to be subject to the existing restrictions on transfer and exchange set forth in the indenture.

***You may not receive the new notes in the exchange offer if the exchange offer procedures are not properly followed.***

We will issue the new notes in exchange for your old notes only if you properly tender the old notes before expiration of the exchange offer. Neither we nor the exchange agent are under any duty to give notification of defects or irregularities with respect to the tenders of the old notes for exchange. If you are the beneficial holder of old notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such notes in the exchange offer, then you should promptly contact the person through whom your old notes are held and instruct that person to tender your old notes on your behalf.

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## SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. Forward-looking statements include statements regarding our goals, beliefs, plans or current expectations, taking into account the information currently available to our management. Forward-looking statements are not statements of historical fact. For example, when we use words such as believe, anticipate, expect, estimate, intend, should, would, could, may words that convey uncertainty of future events or outcomes, we are making forward-looking statements. We have based these forward-looking statements on our management s current view with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates and the projections reflected in the forward-looking statements are reasonable, such estimates and projections may prove to be incorrect, and our actual results may differ from those described in our forward-looking statements as a result of the following risks, uncertainties and assumptions, among others:

- risks related to acquisitions, including completed and future acquisitions, such as the risks that we may be unable to complete an acquisition in the timeframe anticipated, on its original terms, or at all, or that we may not be able to achieve some or all of the benefits that we expect to achieve from such acquisitions, including risks related to integration of our acquired businesses;
- risks related to the future costs of energy, raw materials and freight;
- risks related to our substantial indebtedness and our ability to service our current and future indebtedness;
- risks related to our hedging activities, which may result in significant losses and in period-to-period earnings volatility;
- risks related to our suppliers of raw materials and any interruption in our supply of raw materials;
- risks related to downturns in our target markets;
- risks related to increases in interest rates, which would increase the cost of servicing our debt;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to exchange rate fluctuations;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to the impact of a loss of one of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;

- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;
- risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;
- risks related to restrictive covenants in the notes and our other indebtedness, which could adversely affect our business by limiting our operating and strategic flexibility;
- risks related to our dependence on key management and other highly skilled personnel;
- risks related to our pension plans; and
- risks related to other factors discussed or referred to in this prospectus, including in the section titled Risk Factors.

The risks described above and the risks disclosed in or referred to in the Risk Factors section in this prospectus are not exhaustive. Other sections of this prospectus describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and included elsewhere in this prospectus.

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## THE EXCHANGE OFFER

The following contains a summary of the material provisions of the exchange offer being made pursuant to the registration rights agreement with respect to the old notes, among the issuers, certain guarantors and the initial purchasers of the old notes, which we refer to as the registration rights agreement. Reference is made to the provisions of the registration rights agreement, which has been filed as an exhibit to the registration statement. Copies are available as set forth under the heading Where You Can Find More Information.

The terms of the new notes are identical in all material respects to the terms of the old notes, except that the new notes are registered under the Securities Act and will not be subject to restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

### Purpose of the Exchange Offer

We sold the old notes to initial purchasers who subsequently sold the old notes to qualified institutional buyers under Rule 144A of the Securities Act and to certain sophisticated investors in offshore transactions in reliance on Regulation S of the Securities Act. The exchange offer will give holders of old notes and related guarantees the opportunity to exchange the old notes for new notes and related guarantees that have been registered under the Securities Act. The new notes will be substantially similar in all material respects to the old notes.

Under the registration rights agreement, we have agreed to use our commercially reasonable efforts to cause the registration statement, of which this prospectus is a part, to become effective under the Securities Act within 365 days of the date of original issue of the old notes. We have also agreed to use our commercially reasonable efforts to keep the exchange offer open for the period required by applicable law, including pursuant to any applicable interpretation by the staff of the SEC, but in any event for at least 20 business days.

### Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. We will issue new notes in exchange for an equal principal amount of outstanding old notes accepted in the exchange offer. Old notes may be tendered only in denominations of $2,000 and in integral multiples of $1,000 in excess thereof. This prospectus, together with the letter of transmittal, is being sent to all registered holders as of , 2012. The exchange offer is not conditioned upon any minimum principal amount of old notes being tendered for exchange. However, our obligation to accept old notes for exchange pursuant to the exchange offer is subject to certain customary conditions as set forth below under Conditions.

Old notes shall be deemed to have been accepted as validly tendered when, as and if we have given oral or written notice of such acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders of old notes for the purposes of receiving the old notes and delivering new notes to such holders.

Based on interpretations by the staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the new notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder of such new notes, other than any such holder that is a broker-dealer or an affiliate of us within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that:

- such new notes are acquired in the ordinary course of business;

- at the time of the commencement of the exchange offer such holder has no arrangement or understanding with any person to participate in a distribution of such new notes; and such holder is not engaged in and does not intend to engage in a distribution of such new notes.

We have not sought, and do not intend to seek, a no-action letter from the SEC, with respect to the effects of the exchange offer, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the new notes as it has in previous no-action letters.

By tendering old notes in exchange for relevant new notes, you will represent to us that:

- any new notes to be received by you will be acquired in the ordinary course of business;
- you have no arrangements or understandings with any person to participate in the distribution of the old notes or new notes within the meaning of the Securities Act;
- you are not engaged in and do not intend to engage in a distribution of the new notes; and
- you are not our affiliate, as defined in Rule 405 under the Securities Act.

Each broker-dealer that receives new notes for its own account 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, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See Plan of Distribution. If you are not a broker-dealer, you will be required to represent that you are not engaged in and do not intend to engage in the distribution of the new notes. Whether or not you are a broker-dealer, you must also represent that you are not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph. If you are unable to make the foregoing representations, you may not rely on the applicable interpretations of the staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction unless such sale is made pursuant to an exemption from such requirements.

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.

Upon consummation of the exchange offer, any old notes not tendered will remain outstanding and continue to accrue interest, but, with limited exceptions, holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will no longer be entitled to registration rights and will not be able to offer or sell their old notes unless such old notes are subsequently registered under the Securities Act, except pursuant to an exemption from or in a transaction not subject to the Securities Act and applicable state securities laws. With limited exceptions, we will have no obligation to effect a subsequent registration of the old notes.

**Expiration Date; Extensions; Amendments; Termination**

The expiration date for the exchange offer shall be 5:00 p.m., New York City time, on , 2013, unless we, in our sole discretion, extend the exchange offer in which case the expiration date for the exchange offer shall be the latest date to which the exchange offer is extended.

To extend an expiration date, we will notify the exchange agent of any extension by oral or written notice and will notify the holders of the old notes by means of a press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date for the exchange offer. Such notice to noteholders will disclose the aggregate principal amount of the outstanding notes that have been tendered as of the date of such notice and may state that we are extending the exchange offer for a specified period of time.

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In relation to the exchange offer, we reserve the right to:

(1) delay acceptance of any old notes due to an extension of the exchange offer, to extend the exchange offer or to terminate the exchange offer and not permit acceptance of old notes not previously accepted if any of the conditions set forth under  Conditions  shall have occurred and shall not have been waived by us prior to 5:00 p.m., New York City time, on the expiration date, by giving oral or written notice of such delay, extension or termination to the exchange agent; or

(2) amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the old notes.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice of such delay, extension, termination or amendment to the exchange agent. If we amend the exchange offer in a manner that we determine to constitute a material change, including the waiver of a material condition, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders of outstanding notes of that amendment and we will extend the exchange offer if necessary so that at least five business days remain in the offer following notice of the material change.

Without limiting the manner in which we may choose to make public an announcement of any delay, extension or termination of the exchange offer, we shall have no obligations to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

**Interest on the New Notes**

The new notes will accrue interest from the last interest payment date on which interest was paid on the old notes to the day before the consummation of the exchange offer or, if no interest has been paid on the old notes, from the date of original issuance of the old notes, and thereafter, provided that if the old notes are surrendered for exchange on or after a record date for an interest payment that will occur on or after the date of such exchange and as to which interest will be paid, interest on the new note received in exchange for such old note will accrue from the date of such interest payment date. No additional interest will be paid on old notes tendered and accepted for exchange except as provided in the registration rights agreement.

**Procedures for Tendering**

The old notes were issued in book-entry form, and the old notes are currently represented by one or more global certificates held for the account of a nominee of The Depository Trust Company,  DTC.  If you desire to tender old notes, you may tender such old notes to the exchange agent by (i) transmitting an agent s message to the exchange agent through the facilities of DTC or (ii) submitting a signed letter of transmittal, if an agent s message is not delivered and the tenders of old notes are to be made by book-entry transfer to the account of the exchange agent at DTC, together with a confirmation of book-entry transfer of the old notes and any other required documents.

Any beneficial owner whose old notes are held of record by a broker, dealer, commercial bank, trust company or other nominee and who wishes to take action with respect to the old notes should contact such nominee promptly and instruct such entity to tender old notes on such beneficial owner s behalf.

The term  agent s message  means a message, transmitted by DTC and received by the exchange agent and forming part of a book-entry confirmation, which states that the book-entry transfer facility has received an express acknowledgement from a participant tendering old notes that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant.

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***How to Tender Your Notes***

To tender in the exchange offer, you must:

- complete, sign and date the letter of transmittal, or a facsimile of such letter of transmittal, have the signatures on such letter of transmittal guaranteed if required by such letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile, together with any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date; or

- comply with the ATOP procedures of DTC described below.

In addition, either:

- certificates of old notes must be received by the exchange agent along with the applicable letter of transmittal; or

- a timely confirmation of a book-entry transfer of old notes, if such procedures are available, into the exchange agent s account at DTC, pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date with the letter of transmittal.

There is no procedure for guaranteed delivery of old notes.

*Book-Entry Transfer*

Promptly after the date of this prospectus, the exchange agent for the notes will make a request to establish an account with respect to the old notes at DTC as book-entry transfer facility for tenders of the old notes. Any financial institution that is a participant in DTC s systems including Euroclear Bank, S.A./N.V., as operator of the Euroclear System, or Clearstream Banking, société anonyme, may make book-entry delivery of the old notes by causing DTC to transfer such old notes into the exchange agent s account for such notes at DTC in accordance with DTC procedures for transfer. In addition, although delivery of old notes may be effected through book-entry transfer at DTC, the letter of transmittal or facsimile thereof with any required signature guarantees, or an agent s message, and any other required documents, must, in any case, be transmitted to and received by the exchange agent at one of the addresses set forth below under Exchange Agent prior to 5:00 p.m., New York City time, on the applicable expiration date.

*DTC s Automated Tender Offer Program*

The exchange agent and DTC have confirmed that any financial institution that is a participant in the book-entry transfer facility may utilize DTC s ATOP to tender old notes.

Any participant in DTC may make book-entry delivery of old notes by causing DTC to transfer such old notes into the exchange agent s account for the relevant notes in accordance with the book-entry transfer facility s ATOP procedures for transfer. However, the exchange for the old notes so tendered will only be made after a book-entry confirmation of the book-entry transfer of such old notes into the exchange agent s account for the relevant notes, and timely receipt by the exchange agent of an agent s message and any other documents required by the letter of transmittal.

*Signature Guarantees*

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by any member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act (each an Eligible Institution ) unless the old notes tendered pursuant to such letter of transmittal or notice of withdrawal, as the case may be, are tendered (1) by a registered holder of old notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal or (2) for the account of an Eligible Institution.

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If a letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, submit with such letter of transmittal evidence satisfactory to us of their authority to so act.

**Determination of Validity**

We will only issue new notes in exchange for old notes that are timely and properly tendered. The method of delivery of old notes, letter of transmittal and all other required documents is at your election and risk. Rather than mail these items, we recommend that you use an overnight or hand-delivery service. If such delivery is by mail, it is recommended that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery and you should carefully follow the instructions on how to tender the old notes. No old notes, letters of transmittal or other required documents should be sent to us. Delivery of all old notes, if applicable, letters of transmittal and other documents must be made to the exchange agent at its address set forth below under Exchange Agent. You may also request your respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender on your behalf. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your old notes or the tenders thereof.

Your tender of old notes will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. Any beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on his behalf.

All questions as to the validity, form, eligibility, time of receipt and withdrawal of the tendered old notes will be determined by us in our sole discretion, such determination being final and binding on all parties. We reserve the absolute right to reject any and all old notes not properly tendered or any old notes which, if accepted, would, in the opinion of counsel for us, be unlawful. We also reserve the absolute right to waive any irregularities or defects with respect to tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of old notes, nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

**Other Transactions Relating to the Old Notes**

In addition, we reserve the right in our sole discretion, subject to the provisions of the indenture pursuant to which the old notes are issued:

- to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date or, as set forth under Conditions, to terminate the exchange offer;
- to redeem the old notes as a whole or in part at any time and from time to time, as set forth under the Description of the Senior Secured Notes Optional Redemption ; and
- to the extent permitted under applicable law, purchase the old notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers could differ from the terms of the exchange offer.

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**Broker-Dealers**

Each broker-dealer that receives new notes for its own account in exchange for old notes must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. 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 which the broker-dealer acquired as a result of market-making activities or other trading activities. See Plan of Distribution.

**Acceptance of Old Notes for Exchange; Delivery of New Notes**

Upon satisfaction or waiver of all of the conditions to the exchange offer all old notes properly tendered will be accepted promptly after the expiration date, and the new notes will be issued promptly after the expiration date. See Conditions. For purposes of the exchange offer, old notes shall be deemed to have been accepted as validly tendered for exchange when, as and if we have given oral or written notice thereof to the exchange agent. For each old note accepted for exchange, the holder of such note will receive a new note having a principal amount equal to that of the surrendered old note.

In all cases, issuance of new notes for old notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- certificates for such old notes or a timely book-entry confirmation of such old notes into the exchange agent s account at the book-entry transfer facility;
- a properly completed and duly executed letter of transmittal; and
- all other required documents.

If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer, such unaccepted or such non-exchanged old notes will be returned without expense to the tendering holder of such notes, if in certificated form, or credited to an account maintained with such book-entry transfer facility promptly after the expiration or termination of the exchange offer.

**Withdrawal of Tenders**

Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date at the address set forth below under Exchange Agent. Any such notice of withdrawal must:

- specify the name of the person having tendered the old notes to be withdrawn;
- identify the old notes to be withdrawn, including the principal amount of such old notes;
- in the case of old notes tendered by book-entry transfer, specify the number of the account at the book-entry transfer facility from which the old notes were tendered and specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility;
- contain a statement that such holder is withdrawing its election to have such old notes exchanged;

be signed by the holder in the same manner as the original signature on the letter of transmittal by which such old notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the old notes register the transfer of such old notes in the name of the person withdrawing the tender; and

specify the name in which such old notes are registered, if different from the person who tendered such old notes.

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All questions as to the validity, form, eligibility and time of receipt of such notice will be determined by us, in our sole discretion, such determination being final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any old notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the tendering holder of such notes without cost to such holder, in the case of physically tendered old notes, or credited to an account maintained with the book-entry transfer facility for the old notes promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn old notes may be retendered by following one of the procedures described under Procedures for Tendering above at any time on or prior to 5:00 p.m., New York City time, on the expiration date.

**Conditions**

Notwithstanding any other provision in the exchange offer, we shall not be required to accept for exchange, or to issue new notes in exchange for, any old notes and may terminate or amend the exchange offer if at any time prior to 5:00 p.m., New York City time, on the expiration date, we determine in our reasonable judgment that the exchange offer violates applicable law, any applicable interpretation of the staff of the SEC or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time, prior to the expiration date, in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights prior to 5:00 p.m., New York City time, on the expiration date shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to 5:00 p.m., New York City time, on the expiration date.

In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at any such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture governing the notes under the Trust Indenture Act. Pursuant to the registration rights agreement, we are required to use our commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time.

**Exchange Agent**

The Bank of New York Mellon has been appointed as exchange agent for the exchange offer for the notes. The Bank of New York Mellon also acts as trustee under the indenture governing the old notes, which is the same indenture that will govern the new notes. Questions and requests for assistance and requests for additional copies of this prospectus or of letters of transmittal should be directed to the exchange agent addressed as follows:

**Deliver To:**

| | | |
|---|---|---|
| *By registered or certified mail, hand delivery or overnight courier:* | *By facsimile: (Eligible Institutions Only)* | *To confirm by telephone or for information call:* |
| The Bank of New York Mellon | +1 732-667-9408 | +1 315-414-3362 |
| Corporate Trust Reorganization Unit | Attention: Mr. Christopher Landers | |
| 111 Sanders Creek Parkway | | |
| East Syracuse, NY 13057 | | |

**Fees and Expenses**

The expenses of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, telecopy or in person by our officers and regular employees.

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We will not make any payments to or extend any commissions or concessions to any broker or dealer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus and related documents to the beneficial owners of the old notes and in handling or forwarding tenders for exchange.

The expenses to be incurred by us in connection with the exchange offer will be paid by us, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of old notes pursuant to the exchange offer. If, however, new notes or old notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the old notes tendered, or if tendered old notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of old notes pursuant to the exchange offer, then the amount of any such transfer taxes imposed on the registered holder or any other person will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

**Accounting Treatment**

The new notes will be recorded as carrying the same value as the old notes, which is face value, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes as a result of the exchange offer. The expenses of the exchange offer will be expensed.

**Consequences of Failure to Exchange**

Holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such old notes as set forth in the legend on such old notes as a consequence of the old notes having been issued pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the old notes may only be offered or sold pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws or in a transaction not subject to the Securities Act and applicable state

securities laws. We do not currently anticipate that we will register the old notes under the Securities Act. To the extent that old notes are tendered and accepted pursuant to the exchange offer, there may be little or no trading market for untendered and tendered but unaccepted old notes. The restrictions on transfer will make the old notes less attractive to potential investors than the new notes.

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## THE TRANSACTIONS

### The November 2012 Refinancing Transactions

On November 7, 2012, certain members of the RGHL Group entered into a receivables loan and security agreement pursuant to which the RGHL Group can borrow up to $600 million (the Securitization Facility ). The amount that can be borrowed is calculated by reference to a funding base determined by the amount of eligible trade receivables of certain members of the RGHL Group. The Securitization Facility matures on November 7, 2017 and bears interest at a floating rate. The Securitization Facility is secured by all of the assets of the borrower (including the eligible trade receivables and cash).

On November 13, 2012, the RGHL Group issued a notice of redemption in respect of the 450 million aggregate principal amount outstanding of the Euro 2009 Notes. The proceeds from the Securitization Facility and available cash resources were used to redeem the Euro 2009 Notes and to pay fees and expenses related to the transaction. The Euro 2009 Notes were redeemed on December 13, 2012 at 1,038.75 per 1,000 of face value plus accrued and unpaid interest.

We refer to these refinancing transactions as the November 2012 Refinancing Transactions.

### The September 2012 Refinancing Transactions

On September 28, 2012, the Issuers completed the sale of $3,250 million aggregate principal amount of old notes in a private offering. The notes will mature on October 15, 2020.

The net proceeds of the offering of the old notes were used to repay a portion of the existing term loans under the Senior Secured Credit Facilities and to repay the Dollar 2009 Notes. On September 28, 2012, the Issuers repurchased $777 million aggregate principal amount of Dollar 2009 Notes pursuant to a tender offer. On October 29, 2012, the Issuers redeemed the remaining $348 million aggregate principal amount of Dollar 2009 Notes. RGHL intends to use the remaining net proceeds from the offering of the old notes for general corporate purposes.

On September 28, 2012, we entered into Amendment No. 7 and Incremental Term Loan Assumption Agreement ( Amendment No. 7 ) to the Senior Secured Credit Facilities and incurred thereunder $2,235 million and 300 million of term loans. Prior to September 28, 2012, certain amounts outstanding under the Tranche C term loan facility under the Senior Secured Credit Facilities were repaid with available cash, and concurrent with the effectiveness of Amendment No. 7, the borrowers under the Senior Secured Credit Facilities repaid in full the remaining term loan facilities under the existing Senior Secured Credit Facilities. The term loans drawn under Amendment No. 7 have a maturity date of September 28, 2018. Amendment No. 7 removed the restrictions on capital expenditures, the annual cap on asset sales and the interest coverage test contained in the Senior Secured Credit Facilities. In addition, the senior secured leverage ratio test in the Senior Secured Credit Facilities was amended so that it is now a senior secured first lien leverage ratio test.

Amendment No. 7 also effected other amendments to the Senior Secured Credit Facilities, including amendments that reduced the interest rates in respect of the term loans, added a mechanism to allow subsidiaries to be designated as unrestricted, increased flexibility in the type of indebtedness that can be incurred by the RGHL Group and its subsidiaries, increased flexibility with respect to the terms of any future incremental borrowings, increased flexibility to repay senior secured notes, restricted the application of the soft call protection, resized and added new baskets, removed the holding company restrictions on Reynolds Group Holdings Limited, allowed for lenders to assign their debt to the RGHL Group in open market transactions and gave increased flexibility with respect to the resignation of guarantors and ancillary borrowers.

We refer to these refinancing transactions as the September 2012 Refinancing Transactions.

### The February 2012 Refinancing Transactions

On February 15, 2012, the Issuers completed the sale of $1,250 million aggregate principal amount of February 2012 Senior Notes in a private offering. The February 2012 Senior Notes will mature on August 15, 2019.

The net proceeds from the offering of the February 2012 Senior Notes were used to refinance 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 Senior Subordinated Notes and the $249 million outstanding aggregate principal amount of Pactiv 2012 Notes and pay fees associated with the early repayment of

these notes by depositing funds, on February 15, 2012, with the trustees of the Graham Packaging Notes and of the Pactiv 2012 Notes, respectively, to satisfy and discharge their obligations pursuant to the indentures governing these notes. In addition, the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes redeemed such notes on March 16, 2012. RGHL used the remaining net proceeds from the offering of the February 2012 Senior Notes for general corporate purposes.

We refer to (i) the offering of the February 2012 Senior Notes, (ii) the application of the net proceeds from the offering of the February 2012 Senior Notes to satisfy and discharge the obligations of the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes under the applicable indentures and (iii) the payment of related fees and expenses as the February 2012 Refinancing Transactions.

**The Graham Packaging Transaction**

***Graham Packaging Acquisition***

On September 8, 2011, a wholly-owned indirect subsidiary of RGHL merged with and into Graham Company, with Graham Company surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this acquisition as the Graham Packaging Acquisition. Graham Company s stockholders received $25.50 in cash for each share of Graham Company common stock, for a total enterprise value, including net debt, of $4.5 billion.

We financed the Graham Packaging Acquisition with (i) the $1,500 million principal amount of August 2011 Senior Secured Notes, (ii) $500 million principal amount of the August 2011 Senior Notes, (iii) the $2,000 million principal amount of the incremental term loans under new incremental senior secured credit facilities, or the New Incremental Senior Secured Credit Facilities, and (iv) available cash. We used the proceeds from the issuance of the additional $500 million principal amount of August 2011 Senior Notes to repurchase the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes that tendered in connection with the change of control offers for such notes. See Change of Control Offer.

We refer to the financing arrangements related to the Graham Packaging Acquisition as the Graham Packaging Acquisition Financing Arrangements.

***Graham Packaging Tender Offers and Consent Solicitations***

The issuers of the Graham Packaging Notes, Graham Packaging Company, L.P. and GPC Capital Corp. I, commenced tender offers for any and all of the outstanding Graham Packaging Notes and also solicited the consents of holders of each series of the Graham Packaging Notes to make certain amendments to the indentures governing the Graham Packaging Notes. We refer to these tenders offers and consent solicitations as the Graham Packaging Tender Offers.

The Graham Packaging Tender Offers collectively offered holders of Graham Packaging Notes an opportunity to receive consideration that represented a premium to the consideration that they would have received if they were to require the issuers of the Graham Packaging Notes to purchase such notes in a change of control offer resulting from the Graham Packaging Acquisition, assuming a 30 day notice period following the change of control, and to provide RGHL and its affiliates with Permitted Holder status under the indentures governing the Graham Packaging Notes that is substantially similar to the status that they would have if a change of control offer were consummated.

On July 19, 2011, Graham Packaging announced that it had received the requisite consents from holders of the Graham Packaging Senior Subordinated Notes to adopt the proposed amendments that were the subject of the related Graham Packaging Tender Offer. On August 25, 2011, the issuers of the Graham Packaging Senior Subordinated Notes purchased $21 million aggregate principal amount of Graham Packaging Senior

Subordinated Notes that were tendered. Accordingly, the indenture governing the Graham Packaging Senior Subordinated Notes no longer requires the issuers of such notes to make a change of control offer with respect to the consummation of the Graham Packaging Acquisition.

Graham Packaging did not receive the requisite consents from holders of the Graham Packaging 2017 Notes or the Graham Packaging 2018 Notes with respect to the proposed amendments. On August 4, 2011 the Graham Packaging Tender Offers related to the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes expired.

***Senior Secured Intercompany Loan Agreement***

In connection with the Graham Packaging Acquisition, Reynolds Group Holdings Inc., an indirect wholly-owned subsidiary of RGHL, loaned $2,078 million to certain subsidiaries of Graham Holdings pursuant to an intercompany loan agreement, the proceeds of which were used to repay Graham Packaging s senior secured credit facilities. This intercompany loan was guaranteed by the guarantors of Graham Packaging s former senior secured credit facilities and was secured by a first priority perfected security interest in certain assets of Graham Holdings and certain of its subsidiaries.

Following the redemption of all outstanding Graham Packaging Notes in March 2012, the intercompany loan agreement was amended and restated, the related guarantees were released and the related security arrangements were terminated. Concurrently, Graham Holdings and certain of its U.S. subsidiaries became guarantors of the Existing Notes and our Senior Secured Credit Facilities and pledged certain assets for the benefit of the holders of the Existing Senior Secured Notes and the lenders under our Senior Secured Credit Facilities.

***Change of Control Offer***

On September 16, 2011, Graham Packaging commenced a change of control offer with respect to the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes 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 $240 million aggregate principal amount of Graham Packaging 2017 Notes and $231 million aggregate principal amount of Graham Packaging 2018 Notes tendered their notes in the change of control offer prior to its expiration on October 17, 2011, and the tendered notes were purchased on October 20, 2011. We refer to this change of control offer as the Graham Packaging Change of Control Offer.

We refer to the Graham Packaging Acquisition, the Graham Packaging Acquisition Financing Arrangements and the other related transactions, including the Graham Packaging Change of Control Offer, as the Graham Packaging Transaction.

**The Dopaco Acquisition**

On May 2, 2011, we acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. We refer to this acquisition as the Dopaco Acquisition. We have combined Dopaco with our Pactiv Foodservice segment.

**The 2011 Refinancing Transactions**

On February 1, 2011, the Issuers issued $1,000 million principal amount of February 2011 Senior Secured Notes and $1,000 million principal amount of February 2011 Senior Notes. Proceeds from the offering of the February 2011 Notes were used to fully repay the Original Tranche D Term Loans, and the remaining proceeds were used for general corporate purposes.

On February 9, 2011, we entered into an amended and restated credit agreement and borrowed $2,325 million in U.S. term loans and 250 million in European term loans. The proceeds from the term loans under the Senior Secured Credit Facilities were applied to refinance all term loans outstanding under the original senior secured credit facilities which consisted of (i) $1,035 million of U.S. term loans, or the Original U.S.

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Term Loans, which were borrowed on November 5, 2009; (ii) $800 million of U.S. Tranche C term loans, or the Original Tranche C Term Loans, which were borrowed on May 4, 2010; (iii) $500 million of U.S. Tranche A term loans, or the Original Tranche A Term Loans, and $1,520 million of U.S. Tranche D term loans, or the Original Tranche D Term Loans, which were borrowed on November 16, 2010; (iv) 250 million of European term loans, or the Original European Term Loans, which were borrowed on November 5, 2009; (v) a U.S. revolving credit facility of $120 million; and (vi) a European revolving credit facility of 80 million. This refinancing resulted in reducing the interest rates and extending the repayment terms and maturity date of our term loans.

We refer to these refinancing transactions as the 2011 Refinancing Transactions.

**The Pactiv Transaction**

On November 16, 2010, a wholly-owned indirect subsidiary of RGHL merged with and into Pactiv, with Pactiv surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this merger as the Pactiv Acquisition. Pactiv s stockholders received $33.25 in cash for each share of Pactiv common stock, for a total enterprise value, including net debt, of $5.8 billion.

In connection with the Pactiv Acquisition, we commenced an offer to purchase and consent solicitation with respect to the Pactiv 2018 Notes. Pursuant to such tender offer, Pactiv purchased for cash $234 million in aggregate principal amount of tendered Pactiv 2018 Notes, with $16 million in aggregate principal amount remaining outstanding as of September 30, 2012. Pursuant to such tender offer, Pactiv obtained the requisite consents to eliminate the covenant requiring Pactiv to make an offer to purchase the Pactiv 2018 Notes if a change of control triggering event occurs, as defined in the applicable indenture.

We also commenced a change of control offer with respect to the Pactiv 2012 Notes, as required by the applicable indenture. Pursuant to the change of control offer, Pactiv purchased for cash $1 million in aggregate principal amount of tendered Pactiv 2012 Notes. On March 16, 2012, the Pactiv 2012 Notes were redeemed. See The February 2012 Refinancing Transactions.

We financed the Pactiv Acquisition with (i) the $1,500 million principal amount of October 2010 Senior Secured Notes, (ii) the $1,500 million principal amount of October 2010 Senior Notes, (iii) the $2,020 million principal amount of the Original Tranche A Term Loans and Original Tranche D Term Loans and (iv) $322 million in cash contributed to RGHL. See Description of Certain Other Indebtedness and Intercreditor Agreements.

We refer to the Pactiv Acquisition and the related financing and other transactions as the Pactiv Transaction.

**The Reynolds Foodservice Acquisition**

On September 1, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the equity of the Reynolds foodservice packaging business from an affiliated entity that is beneficially owned by our strategic owner, Mr. Graeme Hart. The total purchase price was $342 million, which was paid with existing cash. We refer to this acquisition as the Reynolds Foodservice Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Reynolds Foodservice Acquisition.

**The Evergreen Transaction**

On May 4, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the equity of the business that constitutes our Evergreen segment from affiliated entities that are beneficially owned by our strategic owner, Mr. Graeme Hart, for a total purchase price of $1,612 million. We refer to this acquisition as the Evergreen Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Evergreen Acquisition.

On the same date, an indirect wholly-owned subsidiary of RGHL acquired the assets and liabilities associated with the Whakatane paper mill from Carter Holt Harvey Limited, a New Zealand Company and an indirect wholly-owned subsidiary of Rank Group, or CHH , for a total purchase price of $46 million. We refer to this acquisition as the Whakatane Acquisition. After the consummation of the Whakatane Acquisition, the Whakatane paper mill became a part of our SIG segment. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Whakatane Acquisition.

We financed the Evergreen Acquisition and the Whakatane Acquisition with (i) the $1,000 million principal amount of the May 2010 Notes, (ii) the $800 million principal amount of the Original Tranche C Term Loans and (iii) available cash. On the date of the closing of the acquisitions, certain credit facilities of the acquired businesses were fully repaid.

We refer to the Evergreen Acquisition, the Whakatane Acquisition and the related financing and other transactions as the Evergreen Transaction.

**The RGHL Transaction**

On November 5, 2009, Beverage Packaging Holdings III S.a.r.l, or BP III, acquired the equity of the business that constitutes our Closures segment from an affiliated entity that is beneficially owned by our strategic owner, Mr. Graeme Hart, for a total purchase price of $708 million. We refer to this acquisition as the Closures Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Closures Acquisition.

On the same date, BP III acquired the equity of the Reynolds consumer products business from an affiliated entity that is beneficially owned by our strategic owner Mr. Graeme Hart, for a total purchase price of $984 million. We refer to this acquisition as the Reynolds Consumer Acquisition and together with the Closures Acquisition as the RGHL Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Reynolds Consumer Acquisition.

We financed the RGHL Acquisition with (i) a $544 million cash contribution by RGHL to BP I, (ii) the $1,125 million and the 450 million principal amount of 2009 Notes, (iii) the $1,035 million principal amount of the Original U.S. Term Loans, (iv) the 250 million principal amount of the Original European Term Loans, and (v) 116 million of cash from SIG.

We refer to the RGHL Acquisition and the related financing and other transactions as the RGHL Transaction.

**The Reynolds Acquisition**

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities that are ultimately owned by our strategic owner, Mr. Graeme Hart, acquired Alcoa s closures, consumer products and food and flexible packaging businesses for a total purchase price of $2.7 billion. We refer to this acquisition as the Reynolds Acquisition.

The businesses acquired pursuant to the Reynolds Acquisition became our Closures segment and Reynolds consumer products business following the RGHL Transaction and our Reynolds foodservice packaging business following the Reynolds Foodservice Acquisition. See The RGHL Transaction and The Reynolds Foodservice Acquisition.

**The SIG Transaction**

On May 11, 2007, RGHL consummated a public tender offer for all publicly traded shares of SIG Combibloc at a price of CHF 435 per share. At that time, SIG Combibloc was listed on the SIX Swiss Exchange. Following the consummation of the tender offer (the rights to which were assigned to BP III), RGHL, through its indirect subsidiary BP III, held 98.3% of the SIG Combibloc shares. RGHL, indirectly through BP III, completed a squeeze-out of the remaining publicly owned shares of SIG Combibloc on November 7, 2007 and SIG Combibloc became a wholly-owned subsidiary of BP III. The aggregate purchase price for 100% of the SIG Combibloc shares was 1.7 billion. As of December 31, 2007, BP III held all of the shares of SIG Combibloc. The shares of SIG Combibloc were delisted from the SIX Swiss Exchange on November 2, 2007. We refer to this acquisition as the SIG Acquisition.

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The purchase of the SIG Combibloc shares, the refinancing of certain existing indebtedness and the payment of related fees and expenses were financed with the proceeds of a 740 million term loan made available under SIG Combibloc s senior credit facilities (which were repaid in full and terminated in connection with the RGHL Transaction), the proceeds of a 770 million bridge facility and 405 million in equity contributions by affiliates of RGHL. The bridge facility was subsequently repaid with the proceeds of the 2007 Notes and SIG Combibloc s senior credit facilities were prepaid in an amount of 130 million with the balance of the proceeds of the 2007 Notes. For additional information regarding the 2007 Notes, see Description of Certain Other Indebtedness and Intercreditor Agreements.

We refer to the acquisition of SIG and the related financing and other transactions as the SIG Transaction.

**The Initial Evergreen Acquisition**

Through a series of acquisitions that occurred from January 31, 2007 to April 30, 2007, certain entities that were ultimately owned by our strategic owner, Mr. Graeme Hart, acquired IP s Bev Pack Business for $497 million in cash. We refer to this acquisition as the Initial Evergreen Acquisition.

The businesses acquired pursuant to the Initial Evergreen Acquisition became part of our Evergreen segment following the Evergreen Acquisition, and IP s Bev Pack Business became our predecessor for accounting purposes. See The Evergreen Transaction.

The Initial Evergreen Acquisition was financed with a total of $425 million drawn under a facility agreement.

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## USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement we entered into in connection with the private offering of the old notes. We will not receive any cash proceeds from the issuance of the new notes under the exchange offer. In consideration for issuing the new notes as contemplated by this prospectus, we will receive old notes in like principal amount, the terms of which are identical in all material respects to the new notes, subject to limited exceptions. Old notes surrendered in exchange for new notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the new notes will not result in any increase in our indebtedness or capital stock.

The net proceeds from the sale of the old notes were approximately $3,197 million. We used the net proceeds from the issuance of the old notes to repay a portion of the existing term loans under the Senior Secured Credit Facilities and to repay the Dollar 2009 Notes. We intend to use the remaining net proceeds from the offering of the old notes for general corporate purposes.

## SELECTED HISTORICAL CONSOLIDATED AND HISTORICAL COMBINED FINANCIAL DATA

### RGHL Group

The following tables set forth the selected historical combined financial data of the RGHL Group Predecessor (prepared on a U.S. GAAP basis) and the selected historical financial data of the RGHL Group Successor (prepared on an IFRS basis). On January 31, 2007, Rank Group, through its indirect wholly-owned subsidiary Evergreen Packaging New Zealand Limited, commenced the acquisition of IP s Bev Pack Business. The acquisition occurred in stages from January 31, 2007 to April 30, 2007. Prior to the Initial Evergreen Acquisition, the RGHL Group had no significant operations. We refer to IP s Bev Pack Business (or a subset thereof) prior to January 31, 2007 as the RGHL Group Predecessor and the RGHL Group as the RGHL Group Successor for purposes of the presentation of the financial information below.

The selected historical financial data of the RGHL Group Successor as of December 31, 2007, 2008 and 2009 and for the period from January 31, 2007 to December 31, 2007 and for the year ended December 31, 2008 have been derived from the RGHL Group Successor s audited financial statements which are not included in this prospectus. The selected historical financial data of the RGHL Group Successor as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from the RGHL Group Successor s audited financial statements included elsewhere in this prospectus.

Given the potential for differences between IFRS and U.S. GAAP, caution is required when comparing financial data across periods. Furthermore, certain presentations and classifications in the RGHL Group Predecessor financial statements that were prepared based on U.S. GAAP are inconsistent with the RGHL Group Successor IFRS presentations. See Summary Presentation of Financial Information and Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

The following data should be read in conjunction with the financial statements and related notes, and other information included elsewhere in this prospectus, including Operating and Financial Review and Prospects and Risk Factors.

### *IFRS Selected Financial Data*

The following selected financial data as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from the audited IFRS financial statements of the RGHL Group Successor included elsewhere in this prospectus. The following selected financial data as of December 31, 2007, 2008 and 2009 and for the years ended December 31, 2007 and 2008 have been derived from audited IFRS financial statements of the RGHL Group Successor that are not included in this prospectus. The following selected financial data as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012

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have been derived from the unaudited IFRS financial statements of the RGHL Group Successor, included elsewhere in this prospectus.

| | RGHL Group Successor | | | | | | |
|---|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | | | Nine Months Ended September 30, | |
| | 2007(*) | 2008(**) | 2009() | 2010(***) | 2011(****) | 2011(*****) | 2012(******) |
| | (IFRS) (In $ million) | | | | | | |
| **Income Statement** | | | | | | | |
| Revenue | $ 2,042 | $ 6,013 | $ 5,910 | $ 6,774 | $ 11,789 | $ 8,279 | $ 10,357 |
| Cost of sales | (1,775) | (5,309) | (4,691) | (5,524) | (9,725) | (6,830) | (8,429) |
| **Gross profit** | **267** | **704** | **1,219** | **1,250** | **2,064** | **1,449** | **1,928** |
| Other income | 155 | 94 | 201 | 102 | 87 | 68 | 128 |
| Selling, marketing and distribution expenses | (60) | (229) | (211) | (231) | (347) | (266) | (264) |
| General and administration expenses | (178) | (334) | (366) | (392) | (628) | (438) | (633) |
| Other expenses | (41) | (247) | (96) | (80) | (268) | (224) | (147) |
| Share of profits of associates and joint ventures, net of income tax (equity method) | 4 | 6 | 11 | 18 | 17 | 14 | 19 |
| **Profit from operating activities** | **147** | **(6)** | **758** | **667** | **925** | **603** | **1,031** |
| Financial income | 14 | 165 | 21 | 66 | 22 | 32 | 60 |
| Financial expenses | (302) | (409) | (513) | (752) | (1,420) | (1,086) | (1,304) |
| **Net financial expenses** | **(288)** | **(244)** | **(492)** | **(686)** | **(1,398)** | **(1,054)** | **(1,244)** |
| **Profit (loss) before income tax** | **(141)** | **(250)** | **266** | **(19)** | **(473)** | **(451)** | **(213)** |
| Income tax benefit (expense) | 30 | 63 | (149) | (78) | 56 | 64 | 125 |
| **Profit (loss) from continuing operations for the period** | **$ (111)** | **$ (187)** | **$ 117** | **$ (97)** | **$ (417)** | **$ (387)** | **$ (88)** |
| **Other operating data (unaudited)** | | | | | | | |
| Ratio of earnings to fixed charges(1) | | | 1.6x | | | | |

* Represents 11 months of operations for the Evergreen segment and seven months of operations for the SIG segment.

** Represents a full year of operations for the SIG and Evergreen segments and 10 months of operations for the Closures segment, the Reynolds consumer products business prior to the Pactiv Acquisition and the Reynolds foodservice packaging business prior to the Pactiv Acquisition and to the Dopaco Acquisition.

*** Represents a full year of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include operations of our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

**** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

***** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments and includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

****** Represents nine months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

(1) The ratio of earnings to fixed charges is calculated by dividing earnings before income taxes from continuing operations by fixed charges of continuing operations. For the periods presented, fixed

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charges consisted of interest expense, amortization and the write-off of financing costs and original issue discount, and management s estimate of interest within rent expense using an approximate interest factor. Due to pre-tax losses in 2007, 2008, 2010, 2011 and 2012, the ratio coverage was less than 1.0x. The RGHL Group Successor would have needed to generate additional earnings of $145 million, $258 million, $34 million, $488 million, $463 million and $229 million for the years ended December 31, 2007, 2008, 2010, and 2011 and the nine months ended September 30, 2011 and 2012, respectively, in order to achieve a coverage of 1.0x.

| | RGHL Group Successor | | | | | |
|---|---|---|---|---|---|---|
| | As of December 31, | | | | | As of September 30, |
| | 2007(* ) | 2008(** ) | 2009( ) | 2010(*** ) | 2011(**** ) | 2012(**** ) |
| | | | | (IFRS) (In $ million) | | |
| **Balance Sheet Data** | | | | | | |
| Cash and cash equivalents | $ 340 | $ 387 | $ 516 | $ 664 | $ 597 | $ 1,807 |
| Trade and other receivables | 484 | 710 | 683 | 1,150 | 1,509 | 1,579 |
| Inventories | 401 | 828 | 756 | 1,281 | 1,764 | 1,736 |
| Property, plant and equipment | 1,242 | 1,940 | 1,825 | 3,266 | 4,546 | 4,368 |
| Intangible assets | 1,910 | 3,361 | 3,279 | 8,748 | 12,545 | 12,311 |
| Other assets | 635 | 700 | 703 | 867 | 950 | 1,074 |
| **Total assets** | **5,012** | **7,926** | **7,762** | **15,976** | **21,911** | **22,875** |
| Trade and other payables current | 361 | 710 | 761 | 1,246 | 1,760 | 1,886 |
| Borrowings current | 912 | 2,361 | 112 | 141 | 521 | 393 |
| Borrowings non-current | 2,987 | 2,544 | 4,842 | 11,701 | 16,625 | 17,922 |
| Other liabilities | 822 | 1,285 | 943 | 2,624 | 3,186 | 2,885 |
| **Total liabilities** | **5,082** | **6,900** | **6,658** | **15,712** | **22,092** | **23,086** |
| **Net assets (liabilities)** | **$ (70)** | **$ 1,026** | **$ 1,104** | **$ 264** | **$ (181)** | **$ (211)** |

* Represents balance sheet data for the SIG and Evergreen segments.

** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments.

*** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include balance sheet data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively.

**** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

Derived from the interim unaudited condensed financial statements of the RGHL Group.

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*U.S. GAAP Selected Financial Data*

The selected historical financial data of the RGHL Group Predecessor (represented by the North American operations of IP s Bev Pack Business) for the one-month period from January 1, 2007 to January 31, 2007 have been derived from the North American operations of IP s Bev Pack Business audited combined financial statements which are not included in this prospectus.

| | North American Operations of IP s Bev Pack Business Period from January 1 to January 31, 2007* (U.S. GAAP) (In $ million) |
|---|---|
| **Income Statement** | |
| Net sales | $ 62 |
| Costs and expenses | |
| Cost of products sold (exclusive of depreciation and amortization included below) | (44) |
| Selling, general and administrative expenses | (4) |
| Distribution expenses | (3) |
| Depreciation and amortization | (3) |
| Tax other than income | (1) |
| Goodwill impairment and other charges | (1) |
| Sale of business IPI Japan | |
| Reversal of reserves no longer required | |
| **Operating income** | **6** |
| Interest income | |
| Interest expense | |
| Other income net | |
| **Income before income taxes, minority interest expense and equity earnings** | **6** |
| Income tax expense | N/A |
| Minority interest expense net of tax | N/A |
| Equity earnings net of tax | N/A |
| **Net income** | **$ N/A** |
| **Other operating data (unaudited)** | |
| Ratio of earnings to fixed charges | N/A |

* Derived from the financial statements of the North American operations of IP s Bev Pack Business which did not include accounting for income tax expense, minority interest expense net of tax, equity earnings net of tax, or net income.

The selected historical financial data of the North American operations of IP s Bev Pack Business are not directly comparable to the selected financial data of the RGHL Group Successor for a variety of reasons including, among other items, the following:

The selected historical financial data of the North American operations of IP s Bev Pack Business, which are not included in this prospectus, have been derived from their audited financial statements prepared in accordance with U.S. GAAP. The RGHL Group Successor s financial statements, which are included in this prospectus, are presented in accordance with IFRS. See Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

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The selected historical financial data of the North American operations of IP s Bev Pack Business are not necessarily indicative of the conditions that would have existed or the results of operations if the North American operations of IP s Bev Pack Business had been operated as a stand-alone company during the period presented.

The selected historical financial data for the one-month period ended January 31, 2007 represents the results of the North American operations of IP s Bev Pack Business only.

Some of the operations represented in the selected financial data of the North American operations of IP s Bev Pack Business are not reflected in the selected historical financial data of the RGHL Group Successor as such operations were not acquired by Rank Group.

**UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Dopaco and Graham Packaging, each of which is included elsewhere in this prospectus, as adjusted to illustrate the impact of the 2011 Refinancing Transactions, the Dopaco Acquisition, the Graham Packaging Transaction, the February 2012 Refinancing Transactions, the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions (collectively, the Pro Forma Transactions ). For further information regarding the Pro Forma Transactions, see the section titled The Transactions. The unaudited pro forma combined balance sheet gives effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions as if they had been completed as of September 30, 2012. The unaudited pro forma combined income statements give effect to the Pro Forma Transactions as if they had been completed as of January 1, 2011.

The unaudited pro forma combined financial information is prepared in accordance with IFRS.

The unaudited pro forma combined financial information has been compiled from the following sources with the following unaudited adjustments:

IFRS financial information for the RGHL Group under the column titled Historical RGHL Group has been derived without adjustment from the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 and the RGHL Group s interim unaudited condensed financial statements as of September 30, 2012 and for the nine month periods ended September 30, 2011 and 2012, each of which is included elsewhere in this prospectus.

The column titled Adjustments for the Full Period Effect of the 2011 and February 2012 Financing Transactions in the unaudited pro forma combined income statements reflects the adjustments associated with the financing components of the Graham Packaging Transaction, the 2011 Refinancing Transactions and the February 2012 Refinancing Transactions. Specifically, this column gives effect to (a) the issuance of the August 2011 Notes, the drawings under the New Incremental Senior Secured Credit Facilities and incremental interest on the Senior Secured Credit Facilities, (b) the issuance of the February 2011 Notes, the drawings under the Senior Secured Credit Facilities and the repayment of the Original Senior Secured Credit Facilities, each of which was completed during February 2011, (c) the issuance of the February 2012 Senior Notes with a portion of the gross proceeds used to redeem and discharge the remaining balance of the Graham Packaging Notes and the Pactiv 2012 Notes and (d) the transaction fees and expenses associated with these transactions. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

U.S. GAAP financial information for Dopaco under the column titled Historical Dopaco as Adjusted has been derived from Dopaco s audited combined financial statements as of May 1, 2011 and for the 126-day period ended May 1, 2011, which are included elsewhere in this prospectus and which have been reclassified to conform with the RGHL Group reporting format.

The column titled Adjustments related to Dopaco on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition reflects certain adjustments to convert Dopaco s U.S. GAAP financial information to IFRS, to align Dopaco s U.S. GAAP accounting policies with the RGHL Group s IFRS accounting policies and to reflect management s assessment of the impact of fair values on periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information. For a discussion of certain differences between IFRS and U.S. GAAP see Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

U.S. GAAP financial information for Graham Packaging under the column titled Historical Graham Packaging as Adjusted has been derived from Graham Packaging s unaudited accounting records for the period from January 1, 2011 to September 7, 2011, which incorporate the unaudited condensed consolidated financial statements as of and for the six month period ended June 30, 2011, which are included elsewhere in this prospectus, and which have been reclassified to conform with the RGHL Group reporting format.

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The column titled Adjustments related to Graham Packaging on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Graham Packaging Acquisition reflects certain adjustments to convert Graham Packaging s U.S. GAAP financial information to IFRS, to align Graham Packaging s U.S. GAAP accounting policies with the RGHL Group s IFRS accounting policies and to reflect the impact of fair values on the periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information. For a discussion of certain differences between IFRS and U.S. GAAP see Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

The column titled The September 2012 Refinancing Transactions reflects (a) the issuance of the notes, (b) the drawings under the U.S. Term Loans and European Term Loans under the Senior Secured Credit Facilities, (c) the repayment of the Dollar 2009 Notes, including the finalization of the redemption of $348 million of remaining Dollar 2009 Notes on October 29, 2012, (d) the repayment of amounts outstanding under the Second Amended and Restated Senior Secured Credit Facilities and (e) the payment of related fees and expenses. See The Transactions The September 2012 Refinancing Transactions. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

The column titled The November 2012 Refinancing Transactions reflects (a) the assumed drawdown of $600 million under the Securitization Facility, (b) the application of the assumed net proceeds from the Securitization Facility and available cash to redeem the Euro 2009 Notes and (c) the payment of fees and expenses related to the transactions. See The Transactions The November 2012 Refinancing Transactions. The Securitization Facility is for an assumed drawdown of $600 million, which represents the maximum availability under the Securitization Facility. As of the date of this prospectus, the RGHL Group had drawn $500 million under this facility. The amount that can be drawn depends on the balance of eligible receivables that form the funding base. The funding base may vary, on a monthly basis, throughout the term of the Securitization Facility. Each $10 million of additional drawings under this facility will result in an additional $10 million of cash, up to the maximum amount of the facility. Each $10 million decrease in borrowings under this facility will result in a $10 million decrease in cash. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

The unaudited pro forma adjustments are based upon current available information and assumptions that we believe to be reasonable. The pro forma adjustments and related assumptions are described in the notes accompanying the unaudited pro forma combined financial information.

**The unaudited pro forma combined financial information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the RGHL Group or the pro forma combined group would have reported had the Pro Forma Transactions been completed as of the dates set forth in this unaudited pro forma combined financial information and is not necessarily indicative of our future consolidated results of operations or financial position. Our actual results may differ significantly from those reflected in the unaudited pro forma combined financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. As a result, the unaudited pro forma combined financial information does not purport to be indicative of what the results of operations would have been had the Pro Forma Transactions been completed on the applicable dates of the unaudited pro forma combined financial information.**

With respect to the fair value and other adjustments related to the Dopaco Acquisition, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Dopaco Acquisition had been completed as of January 1, 2011 for the purposes of the unaudited pro forma combined income statements and as of May 2, 2011 (the date of the Dopaco Acquisition) for purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Dopaco Acquisition, with any excess purchase price

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allocated to goodwill. As of December 31, 2011, the RGHL Group s audited financial statements, and as of September 30, 2012, the RGHL Group s interim unaudited condensed financial statements, include the effects of the allocation of the purchase price from the date of the Dopaco Acquisition. In accordance with IFRS, we have finalized and presented the impact of the fair values from the date of acquisition which also includes confirmation of the remaining useful lives of property, plant and equipment and intangibles.

With respect to the fair value and other adjustments related to the Graham Packaging Transaction, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Graham Packaging Transaction had been completed as of January 1, 2011 for the purposes of the unaudited pro forma combined income statements and as of September 8, 2011 (the date of the Graham Packaging Acquisition) for purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Graham Packaging Acquisition, with any excess purchase price allocated to goodwill. As of December 31, 2011, the RGHL Group s audited financial statements, and as of September 30, 2012, the RGHL Group s interim unaudited condensed financial statements, include the effects of the allocation of the purchase price from the date of the Graham Packaging Acquisition. In accordance with IFRS, we have finalized and presented the impact of the fair values from the date of acquisition which also includes confirmation of the remaining useful lives of property, plant and equipment and intangibles.

The unaudited pro forma combined income statements (i) do not include adjustments for any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Dopaco Acquisition or the Graham Packaging Acquisition or as a result of any of the other acquisitions we have completed and (ii) do not include non-recurring items directly related to the Pro Forma Transactions. In addition, the unaudited pro forma combined financial information does not give effect to any of the adjustments made to derive the RGHL Combined Group Adjusted EBITDA, which are each described under Summary Summary Historical and Pro Forma Combined Financial Information.

The unaudited pro forma combined financial information only shows profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions.

The unaudited pro forma combined financial information should be read in conjunction with the Glossary of Selected Terms, Summary Presentation of Financial Information, Risk Factors, The Transactions, Operating and Financial Review and Prospects and the historical financial statements and the notes thereto, which are included elsewhere in this prospectus.

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**Unaudited Pro Forma Combined Balance Sheet as of September 30, 2012**

| | Historical RGHL Group(1) | The September 2012 Refinancing Transactions(7) | The November 2012 Refinancing Transactions(8) | Pro Forma RGHL Combined Group(10) |
|---|---|---|---|---|
| | | (In $ million) | | |
| **Assets** | | | | |
| Cash and cash equivalents | $ 1,807 | $ (361)(a) | $ (12)(a) | $ 1,434 |
| Trade and other receivables | 1,579 | | | 1,579 |
| Derivatives | 7 | | | 7 |
| Assets held for sale | 20 | | | 20 |
| Current tax assets | 41 | | | 41 |
| Inventories | 1,736 | | | 1,736 |
| Other assets | 84 | | | 84 |
| **Total current assets** | **5,274** | **(361)** | **(12)** | **4,901** |
| Non-current receivables | 356 | | | 356 |
| Investments in associates and joint ventures | 133 | | | 133 |
| Deferred tax assets | 26 | | | 26 |
| Property, plant and equipment | 4,368 | | | 4,368 |
| Investment property | 32 | | | 32 |
| Intangible assets | 12,311 | | | 12,311 |
| Derivatives | 191 | | (9)(b) | 182 |
| Other assets | 184 | | | 184 |
| **Total non-current assets** | **17,601** | | **(9)** | **17,592** |
| **Total assets** | **22,875** | **(361)** | **(21)** | **22,493** |
| **Liabilities** | | | | |
| Bank overdrafts | 3 | | | 3 |
| Trade and other payables | 1,886 | | | 1,886 |
| Borrowings | 393 | (360)(b) | 592(c) | 625 |
| Current tax liabilities | 122 | | | 122 |
| Derivatives | 5 | | | 5 |
| Employee benefits | 246 | | | 246 |
| Provisions | 92 | | | 92 |
| **Total current liabilities** | **2,747** | **(360)** | **592** | **2,979** |
| Non-current payables | 44 | | | 44 |
| Borrowings | 17,922 | | (571)(d) | 17,351 |
| Deferred tax liabilities | 1,340 | | (3)(e) | 1,337 |
| Employee benefits | 902 | | | 902 |
| Provisions | 131 | | | 131 |
| **Total non-current liabilities** | **20,339** | | **(574)** | **19,765** |
| **Total liabilities** | **23,086** | **(360)** | **18** | **22,744** |
| **Net assets (liabilities)** | **$ (211)** | **$ (1)** | **$ (39)** | **$ (251)** |
| Share capital | $ 1,695 | $ | $ | $ 1,695 |
| Reserves | (1,155) | | | (1,155) |
| Retained earnings (accumulated losses) | (771) | (1)(c) | (39)(f) | (811) |

| | | | | |
|---|---|---|---|---|
| **Equity (deficit) attributable to the equity holder of the parent entity** | **(231)** | **(1)** | **(39)** | **(271)** |
| Minority interests | 20 | | | 20 |
| **Total equity (deficit)** | **$ (211)** | **$ (1)** | **$ (39)** | **$ (251)** |

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**Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2011**

| | Historical RGHL Group(1) | Adjustments for the Full Period Effect of the 2011 and February 2012 Financing Transactions(2) | Historical Dopaco as Adjusted(3) | Adjustments related to Dopaco on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition(4) | Historical Graham Packaging as Adjusted(5) | Adjustments related to Graham Packaging on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Graham Packaging Acquisition(6) | The September 2012 Refinancing Transactions(7) | The November 2012 Refinancing Transactions(8) | Pro Forma RGHL Combined Group(9) |
|---|---|---|---|---|---|---|---|---|---|
| | (In $ million) | | | | | | | | |
| **Revenue** | **$ 11,789** | **$** | **$ 153** | **$ (4)(c)** | **$ 2,130** | **$** | **$** | **$** | **$ 14,068** |
| Cost of sales | (9,725) | | (133) | 7(a)(c) | (1,816) | (73)(c) | | | (11,740) |
| **Gross profit** | **2,064** | | **20** | **3** | **314** | **(73)** | | | **2,328** |
| Other income | 87 | | | | | | | | 87 |
| Selling, marketing and distribution expenses | (347) | | (3) | | (74) | | | | (424) |
| General and administration expenses | (628) | | (11) | (3)(a) | (101) | 65(a)(c)(d) | | | (678) |
| Other expenses | (268) | | | 6(d) | (240) | 245(d) | | | (257) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | 17 | | | | | | | | 17 |
| **Profit (loss) from operating activities** | **925** | | **6** | **6** | **(101)** | **237** | | | **1,073** |
| Financial income | 22 | | | | 1 | | | | 23 |
| Financial expenses | (1,420) | (233)(a)(b)(c) | | | (142) | 125(b) | 79(d) | 37(g) | (1,554) |
| **Net financial income/(expenses)** | **(1,398)** | **(233)** | | | **(141)** | **125** | **79** | **37** | **(1,531)** |
| **Profit/(loss) before income tax** | **(473)** | **(233)** | **6** | **6** | **(242)** | **362** | **79** | **37** | **(458)** |
| Income tax benefit (expense) | 56 | 86(d) | (1) | (4)(b) | (27) | (39)(e) | (62)(e) | 16(h) | 25 |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (417)** | **$ (147)** | **$ 5** | **$ 2** | **$ (269)** | **$ 323** | **$ 17** | **$ 53** | **$ (433)** |

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**Unaudited Pro Forma Combined Income Statement for the Nine Months Ended September 30, 2011**

| | Historical RGHL Group(1) | Adjustments for the Full Period Effect of the 2011 and February 2012 Financing Transactions(2) | Historical Dopaco as Adjusted(3) | Adjustments related to Dopaco on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition(4) | Historical Graham Packaging as Adjusted(5) | Adjustments related to Graham Packaging on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Graham Packaging Acquisition(6) | The September 2012 Refinancing Transactions(7) | The November 2012 Refinancing Transactions(8) | Pro Forma RGHL Combined Group(9) |
|---|---|---|---|---|---|---|---|---|---|
| | (In $ million) | | | | | | | | |
| **Revenue** | **$ 8,279** | **$** | **$ 153** | **$ (4)(c)** | **$ 2,130** | **$** | **$** | **$** | **$ 10,558** |
| Cost of sales | (6,830) | | (133) | 7(a)(c) | (1,816) | (73)(c) | | | (8,845) |
| **Gross profit** | **1,449** | | **20** | **3** | **314** | **(73)** | | | **1,713** |
| Other income | 68 | | | | | | | | 68 |
| Selling, marketing and distribution expenses | (266) | | (3) | | (74) | | | | (343) |
| General and administration expenses | (438) | | (11) | (3)(a) | (101) | 65(a)(c)(d) | | | (488) |
| Other expenses | (224) | | | 6(d) | (240) | 245(d) | | | (213) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | 14 | | | | | | | | 14 |
| **Profit (loss) from operating activities** | **603** | | **6** | **6** | **(101)** | **237** | | | **751** |
| Financial income | 32 | | | | 1 | | | | 33 |
| Financial expenses | (1,086) | (205)(a)(b)(c) | | | (142) | 125(b) | 83(d) | 35(g) | (1,190) |
| **Net financial income/(expenses)** | **(1,054)** | **(205)** | | | **(141)** | **125** | **83** | **35** | **(1,157)** |
| **Profit/(loss) before income tax** | **(451)** | **(205)** | **6** | **6** | **(242)** | **362** | **83** | **35** | **(406)** |
| Income tax benefit (expense) | 64 | 75(d) | (1) | (4)(b) | (27) | (39)(e) | (53)(e) | 12(h) | 27 |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (387)** | **$ (130)** | **$ 5** | **$ 2** | **$ (269)** | **$ 323** | **$ 30** | **$ 47** | **$ (379)** |

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**Unaudited Pro Forma Combined Income Statement for the Nine Months Ended September 30, 2012**

| | Historical RGHL Group(1) | Adjustments for the Full Period Effect of the 2011 and February 2012 Financing Transactions(2) | Historical Dopaco as Adjusted(3) | Adjustments related to Dopaco on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition(4) | Historical Graham Packaging as Adjusted(5) | Adjustments related to Graham Packaging on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Graham Packaging Acquisition(6) | The September 2012 Refinancing Transactions(7) | The November 2012 Refinancing Transactions(8) | Pro Forma RGHL Combined Group(9) |
|---|---|---|---|---|---|---|---|---|---|
| | (In $ million) | | | | | | | | |
| **Revenue** | **$ 10,357** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$ 10,357** |
| Cost of sales | (8,429) | | | | | | | | (8,429) |
| **Gross profit** | **1,928** | | | | | | | | **1,928** |
| Other income | 128 | | | | | | | | 128 |
| Selling, marketing and distribution expenses | (264) | | | | | | | | (264) |
| General and administration expenses | (633) | | | | | | | | (633) |
| Other expenses | (147) | | | | | | | | (147) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | 19 | | | | | | | | 19 |
| **Profit (loss) from operating activities** | **1,031** | | | | | | | | **1,031** |
| Financial income | 60 | | | | | | 37(d) | | 97 |
| Financial expenses | (1,304) | (7)(c) | | | | | 250(d) | 24(g) | (1,037) |
| **Net financial income/(expenses)** | **(1,244)** | **(7)** | | | | | **287** | **24** | **(940)** |
| **Profit/(loss) before income tax** | **(213)** | **(7)** | | | | | **287** | **24** | **91** |
| Income tax benefit (expense) | 125 | 3(d) | | | | | (113)(e) | 14(h) | 29 |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (88)** | **$ (4)** | **$** | **$** | **$** | **$** | **$ 174** | **$ 38** | **$ 120** |

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**(1) Historical RGHL Group**

The historical financial information of the RGHL Group is derived from:

The unaudited historical balance sheet of the RGHL Group as of September 30, 2012; and

The audited historical income statement of the RGHL Group for the year ended December 31, 2011, and the unaudited historical income statements for the nine months ended September 30, 2011 and 2012, which are included elsewhere in this prospectus.

**(2) Adjustments for the Full Period Effect of the 2011 and February 2012 Financing Transactions**

The following table summarizes the components of the net adjustment to financial expenses:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| 2011 Refinancing Transactions(a) | $ 127 | $ 127 | $ |
| Graham Packaging Transaction(b) | (268) | (268) | |
| February 2012 Refinancing Transactions(c) | (92) | (64) | (7) |
| **Net adjustment to financial expenses** | **$ (233)** | **$ (205)** | **$ (7)** |

***(a) 2011 Refinancing Transactions***

As part of the 2011 Refinancing Transactions which were completed during February 2011, the RGHL Group (a) issued the February 2011 Notes with a portion of the gross proceeds used to repay in full the Original Tranche D Term Loans, (b) entered into the Senior Secured Credit Facilities and drew the proceeds which were applied to refinance all of the remaining term loans (the Original Tranche A Term Loans, the Original U.S. Term Loans, the Original Tranche C Term Loans and the Original European Term Loans) outstanding under the Original Senior Secured Credit Facilities with the remaining proceeds available for general corporate purposes and (c) incurred certain fees and expenses.

The unaudited pro forma combined income statements include the adjustments to illustrate the 2011 Refinancing Transactions as if they had been completed as of January 1, 2011, comprising:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Interest expense on the February 2011 Senior Secured Notes(i) | $ (6) | $ (6) | $ |
| Interest expense on the February 2011 Senior Notes(ii) | (7) | (7) | |
| **Total interest expense on the February 2011 Notes** | **(13)** | **(13)** | |
| Interest expense on the Senior Secured Credit Facilities (Dollar)(iii) | (11) | (11) | |
| Interest expense on the Senior Secured Credit Facilities (Euro)(iii) | (2) | (2) | |
| **Total interest expense on the Senior Secured Credit Facilities** | **(13)** | **(13)** | |

| | | | |
|---|---|---|---|
| Adjustment for interest expense on the Original Senior Secured Credit Facilities repaid(iv) | 29 | 29 | |
| Adjustment for unamortized debt issuance costs on the Original Senior Secured Credit Facilities repaid(iv) | 124 | 124 | |
| **Net adjustment to financial expenses** | **$ 127** | **$ 127** | **$** |

(i) Reflects the incremental cash interest expense of 6.875% on the $1,000 million principal amount of the February 2011 Senior Secured Notes.

(ii) Reflects the incremental cash interest expense of 8.250% on the $1,000 million principal amount of the February 2011 Senior Notes.

(iii) Reflects the incremental cash interest expense of 4.25% and 5.00% for the Dollar and Euro tranches of the Senior Secured Credit Facilities, respectively (based on an adjusted LIBOR floor of 1.00% and a margin of 3.25%, and on an adjusted LIBOR floor of 1.50% and a margin of 3.50%, respectively).

(iv) Reflects the adjustment for interest expense and non-cash amortization expenses with respect to the debt issuance costs associated with the Original Senior Secured Credit Facilities repaid as part of the 2011 Refinancing Transactions.

***(b) Graham Packaging Transaction***

As part of the Graham Packaging Transaction, the RGHL Group (i) entered into an amendment to the Senior Secured Credit Facilities under which it agreed to certain new terms including incremental interest on the term loans of the Senior Secured Credit Facilities and drew $2,000 million under the Incremental Senior Secured Credit Facilities, (ii) issued the August 2011 Notes and (iii) incurred certain fees and expenses.

The unaudited pro forma combined income statements include the net adjustment to financial expenses as if the Graham Packaging Transaction had been completed as of January 1, 2011, comprising:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Interest expense on the August 2011 Senior Secured Notes(i) | $ (72) | $ (72) | $ |
| Interest expense on the August 2011 Senior Notes(ii) | (60) | (60) | |
| Amortization of the August 2011 Notes issuance costs and original issue discount(iii) | (4) | (4) | |
| **Total interest expense on the August 2011 Notes** | **(136)** | **(136)** | |
| Interest expense on the New Incremental Senior Secured Credit Facilities(iv) | (90) | (90) | |
| Incremental interest expense on the Senior Secured Credit Facilities(v) | (34) | (34) | |
| Interest expense on the new related party loan with Reynolds Treasury (NZ) Limited(vi) | (1) | (1) | |
| Amortization of the New Incremental Senior Secured Credit Facilities debt issuance costs(vii) | (7) | (7) | |
| **Net adjustment to financial expenses** | **$ (268)** | **$ (268)** | **$** |

(i) Reflects the incremental cash interest expense of 7.875% on the $1,500 million principal amount of the August 2011 Senior Secured Notes.

(ii) Reflects the incremental cash interest expense of 9.875% on the $1,000 million principal amount of the August 2011 Senior Notes.

(iii) Reflects non-cash amortization expense on $62 million of aggregate debt issuance costs and original issue discount of $18 million associated with the August 2011 Notes. This non-cash expense has been calculated using the effective interest rate method.

(iv) The interest rates used for pro forma purposes are based on the rates in effect upon the closing of the Graham Packaging Acquisition. The interest rate on the term loans under the New Incremental Senior Secured Credit Facilities was 6.50% on the closing date of the Graham Packaging Acquisition (based on an

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adjusted LIBOR ($ tranche) floor of 1.25% and a margin of 5.25%). Refer to items (7) and (8) below for discussions of interest rate sensitivities.

(v) Reflects the incremental interest of 6.50% on the Dollar Tranche of the Senior Secured Credit Facilities (based on an adjusted LIBOR floor of 1.25% and a margin of 5.25%) and the incremental interest of 6.75% on the Euro Tranche of the Senior Secured Credit Facilities (based on an adjusted EURIBOR floor of 1.50% and a margin of 5.25%), both as of the closing date of the Graham Packaging Acquisition.

(vi) Reflects an interest rate of 6.875% on the principal amount of the related party loan with Reynolds Treasury (NZ) Limited of $25 million.

(vii) Reflects non-cash amortization expense with respect to an aggregate $71 million of debt issuance costs associated with the term loans under the New Incremental Senior Secured Credit Facilities. This non-cash expense has been calculated using the effective interest rate method.

***(c) February 2012 Refinancing Transactions***

As part of the February 2012 Refinancing Transactions, the RGHL Group issued the February 2012 Senior Notes with a portion of the gross proceeds used (i) to redeem and discharge the remaining balance of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes and the Graham Packaging Senior Subordinated Notes, (ii) to redeem and discharge the Pactiv 2012 Notes and (iii) to pay certain fees and expenses. The remaining proceeds were used for general corporate purposes.

(a) Represents the net adjustment to net financial expenses as if the February 2012 Refinancing Transactions had been completed as of January 1, 2011, comprising:

| | For the Year Ended December 31, | For the Nine Months Ended September 30, | |
|---|---|---|---|
| | 2011 | 2011 | 2012 |
| | | (In $ million) | |
| Interest expense on the February 2012 Senior Notes(i) | $ (124) | $ (93) | $ (15) |
| Amortization of the debt issuance costs related to the February 2012 Senior Notes(ii) | (3) | (2) | |
| **Net adjustment to financial expenses from the issuance of the February 2012 Senior Notes** | **(127)** | **(95)** | **(15)** |
| Adjustment for interest expense on the remaining balance of the Graham Packaging 2017 Notes(iii) | 4 | 2 | |
| Adjustment for interest expense on the remaining balance of the Graham Packaging 2018 Notes(iii) | 4 | 3 | |
| Adjustment for interest expense on the Graham Packaging Senior Subordinated Notes(iii) | 28 | 19 | 7 |
| Adjustment for interest expense on the Pactiv 2012 Notes(iii) | 15 | 11 | 3 |
| Adjustment for the amortization of the debt issuance costs, original issue discounts, fair value adjustments and embedded derivatives on the remaining balance of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes, the Graham Packaging Senior Subordinated Notes and the Pactiv 2012 Notes(iii) | (16) | (4) | (2) |
| **Net adjustment to financial expenses** | **$ (92)** | **$ (64)** | **$ (7)** |

(i) Reflects the incremental cash interest expense of 9.875% on the principal amount of the February 2012 Senior Notes of $1,250 million.

(ii) Reflects non-cash amortization expense of debt issuance costs of $34 million on the February 2012 Senior Notes. This non-cash expense has been calculated using the effective interest rate method.

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(iii) Reflects the adjustment to interest expense and non-cash amortization expense, with respect to the debt issuance costs, original issue discount/premium, fair value adjustments and embedded derivatives, associated with the remaining balances of the Graham Packaging Notes and the Pactiv 2012 Notes.

***(d) Income Tax Benefit (Expense)***

Represents the net adjustment to income tax benefit (expense) as if the financing components of the Graham Packaging Transaction, the 2011 Refinancing Transactions and the February 2012 Refinancing Transactions had been completed as of January 1, 2011. The tax expense has been calculated using respective local statutory tax rates which range from 28% to 37%. A portion of the tax adjustment arising from the net adjustment to financial expenses has not been recognized as this potential tax benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

**(3) Historical Dopaco as Adjusted**

The historical financial information of Dopaco is derived from the audited historical combined financial statements of Dopaco as of May 1, 2011 and for the 126-day period ended May 1, 2011, which are included elsewhere in this prospectus.

The historical financial information extracted from the combined financial statements of Dopaco is prepared in accordance with U.S. GAAP. For the purpose of presenting the historical information of Dopaco in a reporting format that is consistent with that of the RGHL Group, certain components of Dopaco s combined statement of earnings have been reclassified.

The following reclassification has been made in the combined statement of earnings for the 126-day period ended May 1, 2011:

Selling and administrative expenses of $14 million as reported by Dopaco on the face of the income statement have been reclassified to Selling, marketing and distribution expenses ($3 million) and General and administration expenses ($11 million) based on the nature of the expenses.

**(4) Adjustments related to Dopaco on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition**

***Adjustments to Historical Dopaco Balances and Results on Conversion from U.S. GAAP to IFRS***

The historical financial information extracted from the audited combined statement of earnings for the 126-day period ended May 1, 2011 is prepared in accordance with U.S. GAAP. Based on our analysis, we have not identified any material differences between U.S. GAAP and IFRS for Dopaco s financial information for the period presented.

See Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

***Fair Value Adjustments for the Dopaco Acquisition***

The Dopaco Acquisition was an acquisition of a business from third parties. Accordingly, IFRS requires that the RGHL Group recognize the identifiable assets acquired and liabilities assumed as part of the Dopaco Acquisition at their fair values. Goodwill is then recognized for the excess of the consideration paid over the net of the identifiable assets acquired and liabilities assumed measured at their fair values.

The Dopaco Acquisition closed on May 2, 2011. The RGHL Group s audited financial statements as of and for the year ended December 31, 2011 and interim unaudited condensed financial statements as of and for the nine month periods ended September 30, 2011 and 2012, each of which are included elsewhere in this prospectus, include the effects of the final allocation of the purchase price as of the date of the acquisition.

The following adjustments reflect the impact on the historical Dopaco results from the fair value adjustments arising as a result of the acquisition of Dopaco by the RGHL Group:

(a) Reflects the income statement impact of the fair value adjustment to property, plant and equipment and finite life intangible assets as part of the acquisition of Dopaco by the RGHL Group.

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To recognize the impact of the Dopaco Acquisition as if it had been completed as of January 1, 2011, depreciation expense would decrease and amortization expense would increase in the pro forma combined income statements for the year ended December 31, 2011 and for the nine month period ended September 30, 2011, as follows:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Amortization of identifiable intangible assets | $ (3) | $ (3) | $ |
| Depreciation of property, plant and equipment | 3 | 3 | |
| **Total** | **$** | **$** | **$** |
| Recognized in: | | | |
| Cost of sales | $ 3 | $ 3 | $ |
| General and administration expenses | (3) | (3) | |
| **Total** | **$** | **$** | **$** |

Due to the final assessment of the acquired property, plant and equipment, the average estimated useful life of depreciable property, plant and equipment has increased from a historical value of 6 years to 11 years. The reduction in the fair value of the assets acquired (when compared to the predecessor historical gross book values) coupled with the increase in the estimated useful lives of the assets acquired has resulted in pro forma depreciation being less than the amount recorded in the historical Dopaco financial statements.

In addition, pro forma amortization expense has increased compared to the amount that was recorded in Dopaco s historical financial statements as a result of the final fair value assessment of the acquired identifiable amortizable intangible assets combined with the weighted average useful life of 11 years.

(b) Reflects the tax effect of the above fair value adjustments determined using a statutory tax rate of 34%.

***Other Adjustments for the Dopaco Acquisition***

The following other adjustments reflect (i) the impact on the historical Dopaco income statements for the year ended December 31, 2011 and for the nine month period ended September 30, 2011, resulting from the elimination of the historical intercompany sales and cost of sales between the RGHL Group and Dopaco and (ii) the elimination of certain non-recurring charges directly related to the Dopaco Acquisition that were recorded in the historical RGHL Group income statements for the year ended December 31, 2011 and for the nine month period ended September 30, 2011.

(c) Represents the elimination of historical intercompany sales and cost of sales between the RGHL Group and Dopaco, as follows:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Revenue | $ (4) | $ (4) | $ |
| Cost of sales | 4 | 4 | |
| **Gross profit** | **$** | **$** | **$** |

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(d) Elimination of non-recurring charges directly related to the Dopaco Acquisition

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Other expenses(i) | $ 6 | $ 6 | $ |

(i) Reflects the elimination of incremental acquisition-related costs incurred by the RGHL Group consisting primarily of legal and other professional advisor fees that were directly attributable to the Dopaco Acquisition and non-recurring in nature.

**(5) Historical Graham Packaging as Adjusted**

The historical financial information of Graham Packaging is derived from the unaudited accounting records for the period from January 1, 2011 to September 7, 2011, which incorporates the unaudited condensed consolidated statements of operations for the six month period ended June 30, 2011 (the composition of which is shown below), which is included elsewhere in this prospectus.

| | Historical Graham Packaging Income Statements as Adjusted | | |
|---|---|---|---|
| | For the period from January 1, 2011 to June 30, 2011 | For the period from July 1, 2011 to September 7, 2011 | For the period from January 1, 2011 to September 7, 2011 |
| | | (In $ million) | |
| **Revenue** | **$ 1,578** | **$ 552** | **$ 2,130** |
| Cost of sales | (1,338) | (478) | (1,816) |
| **Gross profit** | **240** | **74** | **314** |
| Other income | | | |
| Selling, marketing and distribution expenses | (48) | (26) | (74) |
| General and administration expenses | (66) | (35) | (101) |
| Other expenses | (16) | (224) | (240) |
| Share of profit of associates and joint ventures, net of income tax (equity method) | | | |
| **Profit (loss) from operating activities** | **110** | **(211)** | **(101)** |
| Financial income | 1 | | 1 |
| Financial expenses | (106) | (36) | (142) |
| **Net financial expenses** | **(105)** | **(36)** | **(141)** |
| **Profit (loss) before income tax** | **5** | **(247)** | **(242)** |
| Income tax benefit (expense) | (24) | (3) | (27) |
| **Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions** | **$ (19)** | **$ (250)** | **$ (269)** |

The historical consolidated financial information of Graham Packaging is prepared in accordance with U.S. GAAP. For the purpose of presenting the historical information in a reporting format that is consistent with that of the RGHL Group, certain components of Graham Packaging s income statements have been reclassified.

The following reclassifications have been made in the consolidated statement of operations for the period from January 1, 2011 to June 30, 2011:

Asset impairment charges of $3 million has been reclassified to Other expenses ;

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Interest expense of $106 million has been reclassified to Financial expenses ;

Increase in income tax receivable obligations of $13 million has been reclassified to Other expenses ; and

Selling, general and administrative expenses of $114 million have been reclassified to Selling, marketing and distribution expenses ($48 million) and General and administration expenses ($66 million) based on the nature of the expenses.

The following reclassifications have been made in the consolidated statement of operations for the period from July 1, 2011 to September 7, 2011:

Other income (expense) net of ($1 million) as reported by Graham Packaging on the face of the income statement has been reclassified to Other expenses ;

Asset impairment charges of $1 million has been reclassified to Other expenses ;

Interest expense of $36 million has been reclassified to Financial expenses ;

Increase in income tax receivable obligations of $221 million has been reclassified to Other expenses ; and

Selling, general and administrative expenses of $61 million have been reclassified to Selling, marketing and distribution expenses ($26 million) and General and administration expenses ($35 million) based on the nature of the expenses.

**(6) Adjustments related to Graham Packaging on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Graham Packaging Acquisition**

***Adjustments to Historical Graham Packaging Balances and Results on Conversion from U.S. GAAP to IFRS***

The historical financial information of Graham Packaging was prepared in accordance with U.S. GAAP. For the purpose of presenting the unaudited pro forma combined financial information for the year ended December 31, 2011, and for the nine month period ended September 30, 2011, the reclassified income statement information for the period from January 1, 2011 to September 7, 2011 has been converted to IFRS by applying the accounting policies of the RGHL Group as of January 1, 2011. In converting this data, management has made adjustments to amounts previously reported in Graham Packaging s financial statements under U.S. GAAP. See Summary Summary of Certain Differences Between IFRS and U.S. GAAP. An explanation of how the conversion of Graham Packaging from U.S. GAAP to IFRS has affected pro forma profit from continuing operations is set out below:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| Income (loss) from continuing operations for the period January 1, 2011 to September 7, 2011, as reported under U.S. GAAP | $ (269) | $ (269) | $ |
| ***Adjustments for the conversion from U.S. GAAP to IFRS*** | | | |
| Employee benefits(a) | 1 | 1 | |
| Income tax expense(e) | | | |

| | | | |
|---|---|---|---|
| Change in results | 1 | 1 | |
| **Profit (loss) after income taxes under IFRS** | **$ (268)** | **$ (268)** | **$** |

(a) Graham Packaging has certain defined benefit pension plans that require actuarial valuations to determine pension income (expense) and the plan s net asset or liability position.

Under U.S. GAAP, Graham Packaging s net pension income (expense) included the amortization of unrecognized actuarial gains and losses. On transition to IFRS, all unrecognized actuarial gains and losses may

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be recognized directly in retained earnings. Accordingly, the IFRS periodic pension expense has no amortization component.

The net adjustment of $1 million to pension income (expense) arises from the reversal of amortized prior service costs and net loss and is recognized as a decrease to general and administrative expenses in the pro forma income statements.

There is no impact on net assets arising from this adjustment.

***Fair Value and Other Adjustments for the Graham Packaging Acquisition***

The Graham Packaging Acquisition was an acquisition of a business from third parties. Accordingly, IFRS requires that the RGHL Group recognize the identifiable assets acquired and liabilities assumed as part of the Graham Packaging Acquisition at their fair values. Goodwill is then recognized as the excess of the consideration paid over the net of the identifiable assets acquired and liabilities assumed measured at their fair values.

The Graham Packaging Acquisition closed on September 8, 2011. The RGHL Group s audited financial statements as of and for the year ended December 31, 2011 and interim unaudited condensed financial statements as of and for the nine month periods ended September 30, 2012 and 2011, which are included elsewhere in this prospectus, include the final effects of the allocation of the purchase price as of the date of the acquisition.

The following adjustments reflect the impact on the historical Graham Packaging results from the fair value adjustments arising from the Graham Packaging Acquisition and from the Graham Packaging Change of Control Offer:

(b) Represents the adjustment to net financial expenses resulting from the repayment of certain historical indebtedness of Graham Packaging in connection with the Graham Packaging Transaction:

| | **For the Year Ended December 31, 2011** | **For the Nine Months Ended September 30, 2011** | **2012** |
|---|---|---|---|
| | **(In $ million)** | | |
| Elimination of historical interest, amortization of debt issuance costs and original issue discount on Graham Packaging s senior secured credit facilities, a portion of the Graham Packaging 2017 Notes, a portion of the Graham Packaging 2018 Notes and a portion of the Graham Packaging Senior Subordinated Notes(i) | $ 124 | $ 124 | $ |
| Amortization of fair value adjustment to existing Graham Packaging borrowings(ii) | 1 | 1 | |
| **Net adjustment to financial expenses** | **$ 125** | **$ 125** | **$** |

(i) Represents the elimination of historical interest on Graham Packaging s former senior secured credit facilities for the period from January 1, 2011 to September 7, 2011 of $92 million, the Graham Packaging 2017 Notes of $13 million, the Graham Packaging 2018 Notes of $13 million, and the Graham Packaging Senior Subordinated Notes of $1 million, and amortization of the associated debt issuance costs and original issue discount of $5 million.

(ii) Represents the accretion to the non-cash interest expense on the amortization of the fair value adjustment to the Graham Packaging borrowings that remained outstanding following the Graham Packaging Transaction.

(c) Reflects the income statement impact of the fair value adjustment to property, plant and equipment and finite life intangible assets as part of the acquisition of Graham Packaging by the RGHL Group.

Graham Packaging s historical depreciation and amortization expense has been adjusted in the pro forma income statements based on fair values of $1,402 million associated with property, plant and equipment, of which $1,266 million are depreciable over their estimated useful lives, and of $2,375 million associated with identifiable intangible assets, of which $2,125 million are amortizable over their respective estimated useful lives. To recognize the transaction as if it had been completed as of January 1, 2011, depreciation and amortization expense would increase in the pro forma combined income statements for the year ended December 31, 2011 and for the nine month period ended September 30, 2011, as follows:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| Amortization of identifiable intangible assets | $ (58) | $ (58) | $ |
| Depreciation of property, plant and equipment | (52) | (52) | |
| **Total** | **$ (110)** | **$ (110)** | **$** |
| Recognized in: | | | |
| Cost of sales | $ (73) | $ (73) | $ |
| General and administration expenses | (37) | (37) | |
| **Total** | **$ (110)** | **$ (110)** | **$** |

***Other Adjustments for the Graham Packaging Acquisition***

(d) The following other adjustments reflect the elimination of certain non-recurring charges directly related to the Graham Packaging Acquisition that were recorded in the historical RGHL Group or Graham Packaging income statements for the year ended December 31, 2011 and for the nine month period ended September 30, 2011.

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | (In $ million) | | |
| General and administration expenses(i) | $ 101 | $ 101 | $ |
| Other expenses(ii) | $ 245 | $ 245 | $ |

(i) Reflects the elimination of incremental acquisition-related costs incurred by the RGHL Group or Graham Packaging. The adjustment for the year ended December 31, 2011 and for the nine months ended September 30, 2011 comprises (a) $89 million of incremental direct costs incurred by Graham Packaging, including the non-recurring charge of $40 million paid by Graham Packaging to terminate its merger with Silgan Holdings Inc. in order to be acquired by the RGHL Group, and legal and other professional advisor fees of $26 million that were directly attributable to the Graham Packaging Acquisition and (b) change of control payments of $12 million recognized by the RGHL Group in relation to non-recurring amounts payable to certain members of Graham Packaging management.

(ii) Reflects the elimination of incremental acquisition-related costs incurred by the RGHL Group or Graham Packaging. The adjustments for the year ended December 31, 2011 and for the nine months ended September 30, 2011 comprises (a) a one-time payment of $221 million accrued for and paid by Graham Packaging as a pre-acquisition liability to certain shareholders subject to an income tax receivable agreement ( ITR ) that required payment as a result of the acquisition and (b) legal and other professional advisor fees of $24 million incurred by the RGHL Group that were directly attributable to the Graham Packaging Acquisition and non-recurring in nature.

(e) The adjustments to income tax expense in the pro forma income statements reflect the tax effect of the above U.S. GAAP to IFRS adjustments, the fair value adjustments and the other adjustments for the Graham Acquisition. These tax adjustments have been calculated using a statutory tax rate of 36%.

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**(7) The September 2012 Refinancing Transactions**

(a) Represents the net adjustment to cash calculated as follows:

| | (In $ million) |
|---|---|
| Redemption of the remaining Dollar 2009 Notes(i) | $ (348) |
| Payment of premium associated with the redemption of the remaining Dollar 2009 Notes(ii) | (13) |
| **Net adjustment to cash** | **$ (361)** |

(i) Represents the use of $348 million of available cash to redeem the remaining Dollar 2009 Notes.

(ii) Represents the payment of a $13 million premium associated with the redemption of the remaining Dollar 2009 Notes.

(b) Represents the net decrease in current interest-bearing borrowings, calculated as follows:

| | (In $ million) |
|---|---|
| Redemption of the remaining Dollar 2009 Notes(i) | $ (348) |
| Write-off of deferred debt issuance costs, embedded derivatives and redemption premium(ii) | (12) |
| **Net adjustment to current interest bearing borrowings** | **$ (360)** |

(i) Represents the redemption of the remaining Dollar 2009 Notes.

(ii) Represents the write-off of unamortized deferred debt issuance costs and embedded derivatives, and extinguishment of the redemption premium in connection with the redemption of the remaining Dollar 2009 Notes.

(c) Represents the adjustment to retained earnings, comprised of the write-off of $2 million of unamortized deferred debt issuance costs, offset by the release of $1 million of unamortized embedded derivative, in connection with the redemption of the remaining Dollar 2009 Notes.

(d) Represents the net adjustment to net financial expenses as if the September 2012 Refinancing Transactions had been completed as of January 1, 2011, comprising:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| Interest expense on the notes(i) | $ (187) | $ (140) | $ (140) |
| Amortization of the debt issuance costs related to the notes(ii) | (5) | (5) | (5) |
| **Net adjustment to financial expenses from the notes** | **(192)** | **(145)** | **(145)** |

| | | | |
|---|---|---|---|
| Interest expense on the Senior Secured Credit Facilities(iii) | (126) | (95) | (95) |
| Amortization of the debt issuance costs related to the Senior Secured Credit Facilities(iv) | (1) | (1) | (1) |
| **Net adjustment to financial expenses from the Senior Secured Credit Facilities** | **(127)** | **(96)** | **(96)** |

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| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| Adjustment for interest expense on the repaid Senior Secured Credit Facilities(v) | 305 | 227 | 225 |
| Adjustment for amortization of the debt issuance costs on the repaid Senior Secured Credit Facilities(vi) | 12 | 9 | 9 |
| Adjustment for the loss on the repayment of the Senior Secured Credit Facilities(vii) | | | 90 |
| **Net adjustment to financial expenses on the repaid Senior Secured Credit Facilities** | **317** | **236** | **324** |
| Adjustment for interest expense on the Dollar 2009 Notes(viii) | 93 | 70 | 66 |
| Adjustment for amortization of the debt issuance costs, original issue discount and embedded derivatives and changes in the fair value of the embedded derivative associated with the Dollar 2009 Notes(ix) | (12) | 18 | 44 |
| Adjustment for the loss on the repayment of the Dollar 2009 Notes(x) | | | 94 |
| **Net adjustment to financial expenses for the repayment of the Dollar 2009 Notes** | **81** | **88** | **204** |
| **Net adjustment to financial expenses** | **$ 79** | **$ 83** | **$ 287** |

The net adjustment to net financial expenses comprises:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| Adjustment to financial income | $ | $ | $ 37 |
| Adjustment to financial expenses | 79 | 83 | 250 |
| **Total** | **$ 79** | **$ 83** | **$ 287** |

(i) Reflects an interest rate of 5.750% on the principal amount of the notes of $3,250 million.

(ii) Reflects non-cash amortization expense on an estimated $51 million of debt issuance costs on the notes. This non-cash expense has been calculated using the effective interest rate method.

(iii) The interest rates used for pro forma purposes are based on the rates in effect upon the closing of the September 2012 Refinancing Transactions. The interest rate on the U.S. Term Loans under the Senior Secured Credit Facilities following the September 2012 Refinancing Transactions was 4.750% (based on a LIBOR floor of 1.000% and a margin of 3.750%). Each 0.125% increase in the assumed interest rate used in the pro forma income statements would increase interest expense on the U.S. Term Loans under the Senior Secured Credit Facilities by $3 million in the year ended December 31, 2011 and $1 million in each of the nine month periods ended September 30, 2011 and 2012. The interest rate on the European Term Loans under the Senior Secured Credit Facilities following the

September 2012 Refinancing Transactions was 5.000% (based on a LIBOR floor of 1.000% and a margin of 4.000%). Each 0.125% increase in the assumed interest rate used in the pro forma income statements would increase the interest expense on the European Term Loans under the Senior Secured Credit Facilities by less than $1 million in the year ended December 31, 2011 and in each of the nine month periods ended September 30, 2011 and 2012. A decrease in the assumed interest rates would not change interest expense.

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(iv) Reflects non-cash amortization expense on an estimated $13 million of debt issuance costs on the Senior Secured Credit Facilities. This non-cash expense has been calculated using the effective interest rate method.

(v) Reflects the adjustment for interest expense associated with the Senior Secured Credit Facilities repaid.

(vi) Reflects the adjustment for non-cash amortization expense with respect to the debt issuance costs associated with the Senior Secured Credit Facilities repaid.

(vii) Represents the adjustment for the loss on the repayment of the Senior Secured Credit Facilities comprised of early repayment penalties of $15 million and the write-off of unamortized deferred debt issuance costs of $75 million.

(viii) Represents the adjustment for interest expense associated with the repayment of the Dollar 2009 Notes.

(ix) Represents the adjustment for the amortization of deferred debt issuance costs, original issue discounts and embedded derivatives in connection with the repayment of the Dollar 2009 Notes and the adjustment for income/expense related to changes in the fair value of embedded derivatives on the Dollar 2009 Notes.

(x) Represents the adjustment for the loss on extinguishment of the Dollar 2009 Notes, comprised of redemption premiums of $48 million, the write-off of unamortized deferred debt issuance costs of $43 million and original issue discount of $10 million offset by the write-off of an embedded derivative of $7 million.

(e) Represents the net adjustment to income tax (expense) benefit as if the September 2012 Refinancing Transactions had been completed as of January 1, 2011. The tax benefit has been calculated using local statutory tax rates which range from 28% to 37%. A portion of the tax adjustment arising from the September 2012 Refinancing Transactions has not been recognized as this potential benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

**(8) The November 2012 Refinancing Transactions**

(a) Represents the net adjustment to cash calculated as follows:

| | | **(In $ million)** |
|---|---|---|
| Assumed proceeds from the Securitization Facility(i) | $ | 600 |
| Redemption of the Euro 2009 Notes(ii) | | (582) |
| Payment of the estimated fees, expenses and premiums(iii) | | (30) |
| **Net adjustment to cash** | **$** | **(12)** |

(i) Represents the assumed gross proceeds from the Securitization Facility in aggregate principal amount of $600 million representing the maximum availability under the Securitization Facility. The amount that can be borrowed is calculated by reference to a funding base which may vary on a monthly basis. Due to the funding base variability, the unaudited pro forma combined financial information was prepared as if the full $600 million available under the Securitization Facility had been drawn. As of the date of this prospectus, the RGHL Group had drawn $500 million.

(ii) Represents the redemption of the Euro 2009 Notes.

(iii) Represents the payment of an estimated $8 million of fees and expenses associated with establishing the Securitization Facility and $22 million of premiums and penalties associated with the redemption of the Euro 2009 Notes.

(b) Represents the portion of the embedded derivative asset extinguished in connection with the redemption of the Euro 2009 Notes.

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(c) Represents the net increase in current interest bearing borrowings, calculated as follows:

| | (In $ million) |
|---|---|
| Assumed proceeds from the Securitization Facility(i) | $ 600 |
| Estimated fees and expenses from the Securitization Facility(ii) | (8) |
| **Net adjustment to current interest bearing borrowings** | **$ 592** |

(i) Represents the assumed gross proceeds from the Securitization Facility in aggregate principal amount of $600 million representing the maximum availability under the Securitization Facility.

(ii) Represents the payment of an estimated $8 million of fees and expenses associated with establishing the Securitization Facility.

(d) Represents the net decrease in non-current interest bearing borrowings, calculated as follows:

| | (In $ million) |
|---|---|
| Redemption of the Euro 2009 Notes(i) | $ (582) |
| Write-off of unamortized deferred debt issuance costs, original issue discount and embedded derivative(ii) | 11 |
| **Net adjustment to non-current interest bearing borrowings** | **$ (571)** |

(i) Represents the adjustment for the redemption of the Euro 2009 Notes.

(ii) Represents the write-off of unamortized deferred debt issuance costs, original issue discount and embedded derivative in connection with the redemption of the Euro 2009 Notes.

(e) Represents the revised assessment of deferred tax asset recoverability as a result of the November 2012 Refinancing Transactions.

(f) Represents the adjustments to retained earnings, calculated as follows:

| | (In $ million) |
|---|---|
| Write-off of unamortized deferred debt issuance costs, original issue discount and embedded derivative in connection with the redemption of the Euro 2009 Notes(i) | $ (11) |
| Extinguishment of embedded derivative asset in connection with the redemption of the Euro 2009 Notes(ii) | (9) |
| Premiums and penalties in connection with the redemption of the Euro 2009 Notes(iii) | (22) |
| Adjustment to deferred taxes (iv) | 3 |
| **Net adjustment to retained earnings** | **$ (39)** |

(i) Represents the adjustment to write-off $7 million of unamortized deferred debt issuance costs and $5 million of original issue discount, offset by $1 million of embedded derivative in connection with the redemption of the Euro 2009 Notes.

(ii) Represents the adjustment for extinguishment of the embedded derivative asset in connection with the redemption of the Euro 2009 Notes.

(iii) Represents the adjustment for premiums and penalties in connection with the redemption of the Euro 2009 Notes.

(iv) Represents the adjustment for the revised assessment of deferred tax asset recoverability as a result of the November 2012 Refinancing Transactions.

(g) Represents the net adjustment to net financial expenses as if the November 2012 Refinancing Transactions had been completed as of January 1, 2011, comprising:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| Interest expense on the Securitization Facility(i) | $ (13) | $ (10) | $ (10) |
| Amortization of the debt issuance costs related to the Securitization Facility(ii) | (2) | (1) | (1) |
| **Net adjustment to financial expenses from the Securitization Facility** | **(15)** | **(11)** | **(11)** |
| Adjustment for interest expense on the Euro 2009 Notes(iii) | 54 | 41 | 33 |
| Adjustment for amortization of the debt issuance costs and original issue discount and changes in the fair value of embedded derivative on the Euro 2009 Notes(iv) | (2) | 5 | 2 |
| **Net adjustment to financial expenses for redemption of the Euro 2009 Notes** | **52** | **46** | **35** |
| **Net adjustment to financial expenses** | **$ 37** | **$ 35** | **$ 24** |

(i) Reflects an interest rate of 2.160% on the assumed principal amount of the Securitization Facility of $600 million. The interest rate used for pro forma purposes reflects the interest rate on the Securitization Facility at the time of the drawdown, which was 2.160%. Each 0.125% increase in the assumed interest rate used in the pro forma income statements would increase interest expense under the Securitization Facility by $1 million in the year ended December 31, 2011 and in each of the nine month periods ended September 30, 2011 and 2012. Each 0.125% decrease in the assumed interest rate used in the pro forma income statements would decrease interest expense under the Securitization Facility by $1 million in the year ended December 31, 2011 and in each of the nine month periods ended September 30, 2011 and 2012.

(ii) Reflects non-cash amortization expense on an estimated $8 million of debt issuance costs on the Securitization Facility. This non-cash expense has been calculated using the effective interest rate method.

(iii) Represents the adjustment for interest expense associated with the redemption of the Euro 2009 Notes.

(iv) Represents the adjustment for the amortization of deferred debt issuance costs and original issue discounts and changes in the fair value of the embedded derivatives in connection with the redemption of the Euro 2009 Notes.

(h) Represents the net adjustment to income tax (expense) benefit as if the November 2012 Refinancing Transactions had been completed as of January 1, 2011. The tax benefit has been calculated using local statutory tax rates which range from 28% to 37%. A portion of the tax adjustment arising from the November 2012 Refinancing Transactions has not been recognized as this potential benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

**(9) Pro Forma RGHL Combined Group Depreciation and Amortization**

The pro forma income statements include both cost of sales and general and administration expenses, and included in each of these line items are depreciation and amortization expense. The following table presents the

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calculation of the pro forma depreciation and amortization expense derived from the applicable accounting records for the respective time periods:

| | For the Year Ended December 31, 2011 | For the Nine Months Ended September 30, 2011 | 2012 |
|---|---|---|---|
| | | (In $ million) | |
| RGHL Group | $ 972 | $ 654 | $ 856 |
| Dopaco | 8 | 8 | |
| Graham Packaging | 253 | 253 | |
| **Total for the period** | **$ 1,233** | **$ 915** | **$ 856** |

**(10) Pro Forma RGHL Combined Group Borrowings**

The following table identifies as of September 30, 2012, the components of our current and non-current borrowings, net of the respective unamortized debt issuance costs, and original issue discounts and embedded derivatives:

| | (In $ million) |
|---|---|
| Notes(i) | $ 3,221 |
| February 2012 Senior Notes(ii) | 9 |
| August 2011 Senior Secured Notes(iii) | 1,470 |
| August 2011 Senior Notes(iv) | 2,188 |
| February 2011 Senior Secured Notes(v) | 997 |
| February 2011 Senior Notes(vi) | 995 |
| October 2010 Senior Secured Notes(vii) | 1,475 |
| October 2010 Senior Notes(viii) | 1,469 |
| May 2010 Notes(ix) | 983 |
| Securitization Facility(x) | 592 |
| Senior Secured Credit Facilities(xi) | 2,610 |
| 2007 Senior Notes(xii) | 609 |
| 2007 Senior Subordinated Notes(xiii) | 531 |
| Existing Pactiv Indebtedness(xiv) | 795 |
| Other borrowings | 32 |
| **Total borrowings** | **$ 17,976** |
| Fixed rate borrowings | $ 14,765 |
| Variable rate borrowings | 3,211 |
| **Total borrowings** | **$ 17,976** |
| Current borrowings | $ 625 |
| Non-current borrowings | 17,351 |
| **Total borrowings** | **$ 17,976** |

(i) Reflects the proceeds from the aggregate principal amount of $3,250 million of the notes, net of $51 million of estimated debt issuance costs, plus $22 million of embedded derivatives. A portion of the notes were allocated to the Lux Issuer with some of the cash proceeds used to repay the Dollar 2009 Notes held by the Lux Issuer. The net monetary liability exposed to changes in foreign exchange rates will remain the same on the notes as the net monetary liability that was attributable to the Dollar 2009 Notes that were repaid. Accordingly, the historical financial statements of the RGHL Group for all periods presented herein reflect the foreign currency gains and losses on the net monetary liability that exist after completion of the offering of the notes. Consequently, a portion of the proceeds of the notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December 31, 2011, September 30, 2011 and September 30, 2012 would have decreased financial expenses by $19 million, $18 million and $18 million, respectively, whereas a 5% weakening of the euro against the dollar would have increased financial expenses by $21 million, $21 million and $19 million, respectively.

(ii) Reflects the remaining aggregate principal amount of $9 million of February 2012 Senior Notes after $1,241 million aggregate principal amount was exchanged for registered August 2011 Senior Notes on August 10, 2012.

(iii) Reflects the proceeds from the aggregate principal amount of $1,500 million of August 2011 Senior Secured Notes, net of $10 million of original issue discount, $31 million of unamortized debt issuance costs, plus $11 million of embedded derivatives.

(iv) Reflects the proceeds from the aggregate principal amount of $2,241 million of August 2011 Senior Notes, net of $6 million of original issue discount, $58 million of unamortized debt issuance costs, plus $11 million of embedded derivatives.

(v) Reflects the proceeds from the aggregate principal amount of $1,000 million of February 2011 Senior Secured Notes, net of $14 million of unamortized debt issuance costs, plus $11 million of embedded derivatives.

(vi) Reflects the proceeds from the aggregate principal amount of $1,000 million of February 2011 Senior Notes, net of $15 million of unamortized debt issuance costs, plus $10 million of embedded derivatives.

(vii) Reflects the proceeds from the aggregate principal amount of $1,500 million of October 2010 Senior Secured Notes, net of $33 million of unamortized debt issuance costs, plus $8 million of embedded derivatives.

(viii) Reflects the proceeds from the aggregate principal amount of $1,500 million of October 2010 Senior Notes, net of $39 million of unamortized debt issuance costs, plus $8 million of embedded derivatives. As a portion of the October 2010 Senior Notes were issued by the Lux Issuer, which uses the euro as its functional currency, a portion of the proceeds of these notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December, 31, 2011, September 30, 2011 and September 30, 2012 would have decreased financial expenses by $38 million, $37 million and $34 million, respectively, whereas a 5% weakening of the euro against the dollar would have increased financial expenses by $41 million, $39 million and $38 million, respectively. On translation of the euro functional currency results of the Lux Issuer to the RGHL Group s reporting currency, these changes would have an equal but offsetting effect on the foreign currency translation reserve, which is a component of equity.

(ix) Reflects the proceeds from the aggregate principal amount of $1,000 million of May 2010 Notes, net of $25 million of unamortized debt issuance costs, plus $8 million of embedded derivatives. As a portion of the May 2010 Notes were issued by the Lux Issuer, which uses the euro as its functional currency, a portion of the proceeds of these notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December 31, 2011, September 30, 2011 and September 30, 2012 would have decreased financial expenses by $25 million, $24 million and $23 million, respectively, whereas a 5% weakening of the euro against the dollar would have an increased financial expenses by $27 million, $27 million and $25 million, respectively. On translation of the euro functional currency results of the Lux Issuer to the RGHL Group s reporting currency, these changes would have an equal but offsetting effect on the foreign currency translation reserve, which is a component of equity.

(x) Reflects the assumed proceeds of $600 million from the Securitization Facility, net of $8 million of deferred debt issuance costs.

(xi) Reflects the balances outstanding under the Senior Secured Credit Facilities after the September 2012 Refinancing Transactions, net of $13 million of unamortized debt issuance costs. Amounts outstanding under the Senior Secured Credit Facilities comprise both the U.S. Term Loans and the European Term Loans. The 300 million of borrowings are drawn by entities with the euro as their functional currency. A 5% strengthening of the euro against the dollar at December 31, 2011, September 30, 2011 and September 30, 2012 would have decreased the foreign currency translation reserve, which is a component of equity, by $19 million, $20 million and $19 million, respectively, whereas a 5% weakening of the euro against the dollar would have the opposite effect.

(xii) Reflects the proceeds from the aggregate principal amount of 480 million of 2007 Senior Notes, net of $12 million of unamortized debt issuance costs. As the 2007 Senior Notes have been issued as euro denominated notes by entities with the euro as their functional currency, a 5% strengthening of the euro against the dollar at December 31, 2011, September 30, 2011 and September 30, 2012 would have decreased the foreign currency translation reserve, which is a component of equity, by $31 million, $32 million and $31 million, respectively, whereas a 5% weakening of the euro against the dollar would have the opposite effect.

(xiii) Reflects the proceeds from the aggregate principal amount of 420 million of 2007 Senior Subordinated Notes, net of $12 million of unamortized debt issuance costs. As the 2007 Senior Subordinated Notes have been issued as euro denominated notes by entities with the euro as their functional currency, a 5% strengthening of the euro against the dollar at December 31, 2011, September 30, 2011 and September 30, 2012 would have decreased the foreign currency translation reserve, which is a component of equity, by $27 million, $28 million and $27 million, respectively, whereas a 5% weakening of the dollar against the euro would have the opposite effect.

(xiv) Reflects the notes as previously issued by Pactiv.

Our total pro forma third-party indebtedness as of September 30, 2012 of $17,984 million includes (a)(i) total interest bearing borrowings of $18,210 million, (ii) related party borrowings of $1 million, (iii) derivative liabilities of $5 million and (iv) bank overdrafts of $3 million, for a total of $18,219 million of outstanding indebtedness, offset by (b) unamortized debt issuance costs and original issue discounts of $327 million, plus (c)(i) embedded derivatives of $89 million and (ii) fair value adjustments of $3 million.

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## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*The following discussion of our historical financial statements covers certain periods before the consummation of the Graham Packaging Transaction on September 8, 2011 and does not reflect the results generated by Graham Company or the impact that the Graham Packaging Transaction may have on the RGHL Group for those periods. The following discussion should be read in conjunction with Business Description of Business and our historical financial statements and the notes thereto, in each case included elsewhere in this prospectus. The following discussion and analysis also includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements with respect to us. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus. See Special Note of Caution Regarding Forward-Looking Statements and Risk Factors.*

### Overview

RGHL was incorporated in New Zealand under the Companies Act 1993 on May 30, 2006. We are a leading global manufacturer and supplier of consumer, beverage and foodservice packaging products. We sell our products to customers globally, including to a diversified mix of leading multinational companies, large national and regional companies and small local businesses. We primarily serve the consumer food, beverage and foodservice market segments. We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging. We acquired these businesses in a series of transactions.

***Recent Acquisitions and Integration***

Our most recent significant acquisitions are described below.

*Graham Packaging Acquisition*

On September 8, 2011, we acquired Graham Company for a total enterprise value, including net debt, of $4.5 billion. We financed the purchase of shares, the repayment at acquisition of certain of Graham Packaging s indebtedness and associated transaction costs, with new indebtedness. Graham Packaging is reported as a separate segment within the RGHL Group.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the hot food, specialty beverage and consumer products markets. We expect to realize significant cost savings by optimizing procurement of certain raw materials, consolidating facilities, eliminating duplicative operations and overhead, improving supply chain management and achieving other efficiencies. Once we fully integrate Graham Packaging, we expect to generate annual operational synergies and cost savings of approximately $75 million by the end of 2013, of which we have achieved $33 million from the date of acquisition through September 30, 2012. In order to achieve these synergies and cost savings, we expect to incur cash outlays of approximately $75 million by the end of 2013, of which we have incurred $36 million from the date of acquisition through September 30, 2012. Expenses incurred under our integration program generally include severance, exit, disposal, and other costs.

The valuation of the assets acquired and liabilities assumed in connection with the Graham Packaging Acquisition has been finalized. In accordance with IFRS 3 (Revised), Business Combinations, all adjustments resulting from the finalization of the purchase accounting have been recognized retrospectively to the date of the acquisition. For details of assets acquired and liabilities assumed, refer to note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

*Dopaco Acquisition*

On May 2, 2011, we acquired Dopaco from Cascades Inc. Dopaco is a manufacturer of paper cups and folding cartons for the quick-service restaurant and foodservice industries in the U.S. and Canada. The purchase consideration for the acquisition was $395 million in cash. The consideration was funded from the existing cash

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of the RGHL Group. Dopaco s business has been integrated into the Pactiv Foodservice segment. We expect to generate annual operational synergies and cost savings of approximately $30 million by the end of 2012, of which we have achieved $24 million from the date of acquisition through September 30, 2012. In order to achieve these synergies and cost savings, we expect to incur cash outlays of approximately $22 million by the end of 2012, of which we have incurred $21 million from the date of the acquisition through September 30, 2012. Expenses incurred under our integration program generally include severance and other costs.

*Pactiv Acquisition*

On November 16, 2010, we acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion. We have substantially completed the process of combining our Reynolds consumer products and Reynolds foodservice packaging businesses with our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, to form integrated Reynolds Consumer Products and Pactiv Foodservice segments. We expect to generate annual operational synergies and cost savings of approximately $230 million by the end of 2012 from the consolidation of facilities, elimination of duplicative operations, improvement of supply chain management and from achieving other efficiencies, of which we have achieved $217 million from the date of acquisition through September 30, 2012. For example, from the date of the Pactiv Acquisition to the date of this prospectus, we have announced the closure of eight manufacturing sites in North America. In order to achieve these synergies and cost savings, we incurred cash outlays of approximately $130 million from the date of acquisition through September 30, 2012. Cash outlays incurred under our integration program generally include severance, exit, disposal and other costs associated with combining the companies of the acquired consumer products and foodservice packaging businesses into our current Reynolds Consumer Products and Pactiv Foodservice segments.

The valuation of the assets acquired and liabilities assumed in connection with the Pactiv Acquisition has been finalized. In accordance with IFRS 3 (Revised), Business Combinations, all adjustments resulting from the finalization of the purchase accounting have been recognized retrospectively as of the date of the acquisition. For details of assets acquired and liabilities assumed, refer to note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

Refer to note 18 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus for additional information related to the acquisitions of Graham Packaging and Dopaco.

**Key Factors Influencing Our Financial Condition and Results of Operations**

***Acquisitions, Substantial Leverage and Other Transaction-Related Effects***

The six segments in which we operate have all been acquired through a series of transactions. Our results of operations, financial position and cash flows are significantly impacted by the effects of these acquisitions which were financed primarily through borrowings, including transaction-related debt commitment fees and recurring interest costs. In addition, from time to time, we refinance our borrowings which also can have a significant impact on the results of our operations.

As of September 30, 2012, our total indebtedness of $18,544 million, comprised of borrowings, overdrafts and derivative liabilities, is presented in our statement of financial position net of unamortized debt issuance costs, original issue discounts, embedded derivatives and fair value adjustments at acquisition. For more information regarding our external borrowings, refer to note 14 of the RGHL Group s interim unaudited condensed financial statements as of September 30, 2012, included elsewhere in this prospectus. Our future results of operations, including our net financial expenses, will be significantly affected by our substantial indebtedness. The servicing of this indebtedness has had and will continue to have an impact on our cash flows and cash balance. For more information, refer to Liquidity and Capital Resources.

***Restructuring and Cost Saving Programs***

We have implemented a number of restructuring and cost saving programs over the past three years in order to reduce our operating costs. During the nine month period ended September 30, 2012 and the year ended

December 31, 2011, we incurred restructuring charges of $48 million and $88 million, respectively, business integration costs of $32 million and $47 million, respectively, and operational process engineering-related consultancy costs of $18 million and $42 million, respectively. These costs are largely related to workforce reductions, improving supply chain management, achieving other efficiencies and consolidation of facilities.

As discussed under Overview Recent Acquisitions and Integration, we expect to incur additional restructuring costs as well as integration costs through the end of 2013 that will largely relate to the integration of Graham Packaging into the RGHL Group and the integration of the Pactiv foodservice packaging and Dopaco businesses into the Pactiv Foodservice segment. Outlays related to integration include both expenses and capital expenditures associated with combining the new acquisitions with the RGHL Group s operations and generally include severance, exit, disposal and other costs associated with combining the businesses. We expect to realize cost savings and operational synergies by the end of 2013 by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies. For additional information related to the quantification of the synergies to be achieved and cash outlays, refer to Overview Recent Acquisitions and Integration.

***Raw Materials and Energy Prices***

Our results of operations are impacted by changes in the costs of our raw materials and energy prices. The primary raw materials used to manufacture our products are resins, aluminum, fiber (principally raw wood and wood chips) and paperboard (principally cartonboard and cupstock). We also use commodity chemicals, steel and energy, including fuel oil, electricity, natural gas and coal, to manufacture our products. The prices for raw materials, particularly resins and aluminum, have fluctuated significantly in recent years.

Principal raw materials used by each of our segments are as follows (in order of cost significance within each segment):

SIG cartonboard, resin, aluminum

Evergreen fiber, resin

Closures resin

Reynolds Consumer Products resin, aluminum

Pactiv Foodservice resin, aluminum, paperboard

Graham Packaging resin

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Historical index prices of resin, aluminum and paperboard from January 1, 2009 through September 30, 2012 are shown in the charts below. The following charts present index prices and do not represent the prices at which we purchased these raw materials.

Source: Chemical Market Associates Inc.

Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products.

Source: Platts Metal Weekly

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Aluminum prices can fluctuate significantly as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions.

Source: Pulp and Paper Work

The prices of cupstock and cartonboard may fluctuate due to external conditions such as weather, product scarcity, currency and commodity market fluctuations and changes in governmental policies and regulations.

Purchases of most of our raw materials are based on negotiated rates with suppliers, which are tied to published indices. Typically, we do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials.

Changes in raw material prices impact our results of operations. Revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by most of our segments. Generally, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Historically, the average lag time in implementing raw material cost pass-through mechanisms (where contractually permitted) has been approximately three months.

Contracts for SIG s products and for the branded products sold by Reynolds Consumer Products generally do not contain raw material cost pass-through mechanisms. We use price increases, where possible, to mitigate the effects of raw material cost increases for customers that are not subject to raw material cost pass-through agreements.

The prices for some of our raw materials, particularly resins and aluminum, have fluctuated significantly in recent years. Prices for raw wood and wood chips have fluctuated less than the prices of resins and aluminum. Raw wood and wood chips are typically purchased from sources close to our mills and, as a result, prices are established locally based on factors such as weather conditions and local competitive conditions.

Volatility in resin, aluminum and paper prices has had an effect on our results of operations. Historically, raw material price increases have resulted in increases in cost of sales and any subsequent pass-through to customers has resulted in increases in revenue. Raw material cost decreases and any subsequent pass-through to customers have historically had an opposite effect on cost of sales and revenue.

Management expects continued volatility in raw material prices as a result of the continued uncertainty in the global economic environment, and such volatility may impact our results of operations. We continue to take steps to minimize the impact of the volatility of raw material prices through commodity hedging, fixed supplier pricing, reducing the lag time in contractual raw material cost pass-through mechanisms and entering into additional indexed customer contracts that include raw material cost pass-through provisions.

Our segments are also sensitive to energy-related cost movements, particularly those that affect transportation and utility costs. In particular, our Evergreen segment is susceptible to price fluctuations in natural gas, as Evergreen incurs significant natural gas costs to convert raw wood and wood chips to paper products and liquid packaging board. Historically, we have been able to mitigate the effect of higher energy-related costs with productivity improvements and other cost reductions. Further, energy costs (excluding transportation costs) are generally included in Evergreen s indexed customer contracts.

***Hedging Activities***

Our business is exposed to commodity and other price risk principally from the purchase of resin, aluminum, natural gas, electricity and cartonboard. From time to time we enter into hedging agreements for some of our raw materials and energy sources to minimize the impact of price fluctuations. We use various strategies to manage cost exposures on certain raw material purchases with the objective of obtaining more predictable costs for these commodities. We generally enter into commodity financial instruments or derivatives to hedge commodity prices primarily related to aluminum, resin and natural gas, including resin futures, aluminum swaps and natural gas swaps.

We may selectively enter into hedges for short contract periods at the request of customers who want to mitigate the risk of changes in raw material costs in their purchase pricing.

The realized gains or losses arising from derivative instruments are recognized in cost of sales while the unrealized gains or losses associated with derivative instruments are recognized in other income/expenses.

While we currently employ the hedging strategy discussed above, we may decide to increase or decrease our level of hedging depending on management s assessment of current market conditions.

***Black Liquor Credit and Cellulosic Biofuel Producer Credits***

Black Liquor Credit was an excise tax credit that benefited companies that used alternative fuel mixtures for energy production to operate their businesses in the United States. Black Liquor Credit, equal to $0.50 per gallon of alternative fuel contained in the applicable mixture, was refundable to the taxpayer. For the year ended December 31, 2009, Evergreen filed claims for alternative fuel mixture credits at its Canton and Pine Bluff mills covering eligible periods from January 2009 to December 2009, totaling $235 million. As a result of these claims, for the year ended December 31, 2009, Evergreen recognized a reduction of $214 million in its cost of sales, which equated to the claim value net of applicable expenses. The tax credit, as it related to alternative fuel mixtures, expired on December 31, 2009.

During 2010, the Internal Revenue Service issued an IRS General Counsel Memo which further clarified how to determine the volume of alternative fuel mixture used in the production process that qualified for the tax credit. Based on these clarifications and related studies commissioned by management, Evergreen determined that an additional claim was available related to the volume of Black Liquor used during 2009. As a result of these claims, for the year ended December 31, 2010, Evergreen recognized a reduction of $10 million in its cost of sales, which equates to the claim value net of applicable expenses.

On July 9, 2010, the IRS published Chief Counsel Advice Memorandum 2010-002, concluding that Black Liquor sold or used before January 1, 2010 qualifies for the Cellulosic Biofuel Producer Credits, or CBPC. In October 2010, the IRS provided additional guidance on the qualification of CBPC. The CBPC is separate from the Black Liquor Credit recognized by Evergreen in 2009 and 2010. The CBPC allows for a tax credit equal to $1.01 for each gallon of qualified biofuel produced and used by Evergreen and not claimed as a Black Liquor

Credit. Based upon this guidance, it was determined that Evergreen qualified for the CBPC in regards to Black Liquor Credit produced in 2009 that was not included in the calculation of the original Black Liquor Credit. Evergreen recorded a $29 million CBPC credit to income tax expense in 2010.

The benefits of the Black Liquor Credit and CBPC were recognized in the results of operations for the years ended December 31, 2010 and 2009. The results for the nine months ended September 30, 2012 and for the year ended December 31, 2011 are not impacted by the Black Liquor Credit or CBPC and based on our knowledge at this time, we do not expect any benefits in future periods.

***Effect of Currency Fluctuations***

Four of our segments operate in a number of geographical areas and transact business in a range of currencies. As a result, these segments (SIG, Closures, Pactiv Foodservice and Graham Packaging) are affected more by currency fluctuations than our Evergreen and Reynolds Consumer Products segments, which predominantly operate in North America. In addition to the dollar, the currencies in which our transactions are primarily denominated include the euro, Swiss franc, Canadian dollar, Thai baht, Chinese yuan renminbi, Brazilian real, British pound, Japanese yen, Mexican peso, Polish zloty and New Zealand dollar. Exchange rate fluctuations can therefore either increase or decrease revenue and expense items when reported in dollars. For most financial periods, the impact on revenue due to fluctuations in exchange rates has been partially offset by the impact on expenses, as most of our business units incur revenue and expenses in their respective local currencies, creating a natural hedge to currency fluctuations.

***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

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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 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.

**Results of Operations**

The following discussion should be read in conjunction with our financial statements included elsewhere in this prospectus. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow the RGHL Group results discussion. Results for interim periods may not be indicative of the results for the full year.

***Nine Month Period Ended September 30, 2012 Compared with the Nine Month Period Ended September 30, 2011***

*Reynolds Group Holdings Limited*

| | For the nine month period ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | % of revenue | 2011(1)(2) | % of revenue | Change | % change |
| | (In $ million, except for %) | | | | | |
| **Revenue** | **10,357** | **100%** | **8,279** | **100%** | **2,078** | **25%** |
| Cost of sales | (8,429) | (81)% | (6,830) | (82)% | (1,599) | 23% |
| **Gross profit** | **1,928** | **19%** | **1,449** | **18%** | **479** | **33%** |
| Selling, marketing and distribution expenses/General and administration expenses | (897) | (9)% | (704) | (9)% | (193) | 27% |
| Net other expense | (19) | | (156) | (2)% | 137 | (88)% |
| Share of profit of associates and joint ventures, net of income tax | 19 | | 14 | | 5 | 36% |
| **Profit from operating activities** | **1,031** | **10%** | **603** | **7%** | **428** | **71%** |
| Financial income | 60 | 1% | 32 | | 28 | 88% |
| Financial expenses | (1,304) | (13)% | (1,086) | (13)% | (218) | 20% |
| **Net financial expenses** | **(1,244)** | **(12)%** | **(1,054)** | **(13)%** | **(190)** | **18%** |
| **Loss before income tax** | **(213)** | **(2)%** | **(451)** | **(5)%** | **238** | **(53)%** |
| Income tax benefit | 125 | 1% | 64 | 1% | 61 | 95% |
| **Loss after income tax** | **(88)** | **(1)%** | **(387)** | **(5)%** | **299** | **(77)%** |
| Depreciation and amortization | 856 | 8% | 654 | 8% | 202 | 31% |
| RGHL Group EBITDA(3) | 1,887 | 18% | 1,257 | 15% | 630 | 50% |

| | | | | | | |
|---|---|---|---|---|---|---|
| RGHL Group Adjusted EBITDA(3) | 1,916 | 18% | 1,456 | 18% | 460 | 32% |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the nine month period ended September 30, 2011, the results of operations of Dopaco from May 2, 2011 to September 30, 2011 and the results of operations of Graham Packaging from September 8, 2011 to September 30, 2011.

(2) In accordance with IFRS 3 (revised) Business Combinations, the information presented for the nine month period ended September 30, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Graham Packaging acquisition. Refer to note 2.5 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

(3) RGHL Group EBITDA is defined as profit from operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We believe that issuers of high yield debt securities present EBITDA and Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

As more fully described under Overview Recent Acquisitions and Integration, we acquired Graham Packaging on September 8, 2011. The results of operations of Graham Packaging have been included in the RGHL Group s results of operations as a separate segment since the consummation of the Graham Packaging acquisition. For the nine month period ended September 30, 2012, Graham Packaging s revenue, profit from operating activities, EBITDA and Adjusted EBITDA included in the RGHL Group s results were $2,357 million, $31 million, $319 million and $373 million, respectively. For the period from September 8, 2011 to September 30, 2011, Graham Packaging s revenue, loss from operating activities, EBITDA and Adjusted EBITDA included in the RGHL Group s results were $256 million, $30 million, $2 million and $41 million, respectively.

In addition, the operating results of Dopaco have been combined with the operating results of our Pactiv Foodservice segment since May 2, 2011, the date of the Dopaco acquisition. For the nine month periods ended September 30, 2012 and September 30, 2011, Dopaco s revenue, included in the results of the Pactiv Foodservice segment, was $362 million and $206 million, respectively.

For further details on the above acquisitions, refer to note 18 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

*Revenue*. Revenue increased by $2,078 million, or 25%, to $10,357 million for the nine month period ended September 30, 2012 compared to $8,279 million for the nine month period ended September 30, 2011. The increase was largely attributable to incremental revenue from the acquisitions of Graham Packaging and Dopaco. In addition, revenue increased at (a) Evergreen driven by sales in paper products and cartons, and (b) Reynolds Consumer Products driven primarily by price increases. These increases in revenue were partially offset by decreases at (a) Closures driven by changes in product mix and pricing related to price concessions and the pass-through of resin price changes to customers, and (b) Pactiv Foodservice driven primarily by lower volumes as a result of the sale of the laminating operations and exiting certain low margin non-strategic product offerings as well as lower volume principally driven by lower sales in mature, declining and non-strategic categories, partially offset by pricing strategies to recover higher resin costs. Foreign currency exchange rates had an unfavorable impact of $132 million largely resulting from the strengthening of the dollar against the euro, Mexican peso and Brazilian real in the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011.

*Cost of Sales*. Cost of sales increased by $1,599 million, or 23%, to $8,429 million for the nine month period ended September 30, 2012 compared to $6,830 million for the nine month period ended September 30, 2011. The increase was largely attributable to incremental cost of sales from the acquisitions of Graham Packaging and Dopaco. The increases were offset by the sale of the laminating operations at Pactiv Foodservice, lower raw material costs and benefits from actual synergies realized and improved operational performance. Foreign currency exchange rates had a favorable impact of $112 million largely resulting from the strengthening of the dollar against the euro, Mexican peso and Brazilian real in the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011. Cost of sales as a percentage of revenue decreased across all segments.

*Gross Profit*. Gross profit increased by $479 million, or 33%, to $1,928 million for the nine month period ended September 30, 2012 compared to $1,449 million for the nine month period ended September 30, 2011. Gross profit margin increased to 19% for the nine month period ended September 30, 2012 compared to 18% for the nine month period ended September 30, 2011. Compared to the prior year period, gross profit margin increased across all segments. These increases were driven primarily by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses increased by $193 million, or 27%, to $897 million for the nine month period ended September 30, 2012 compared to $704 million for the nine month period ended September 30, 2011. This increase in expenses was primarily attributable to the acquisitions of Graham Packaging and Dopaco. However, selling, marketing and distribution expenses and general and administration expenses as a percentage of revenue remained unchanged at 9% for the nine month period ended September 30, 2012 compared to 9% for the nine month period ended September 30, 2011. Selling, marketing and distribution expenses and general and administration expenses also increased by a $27 million adjustment at SIG, a $17 million reclassification from cost of sales at Closures and a $16 million reclassification from cost of sales at Reynolds Consumer Products, during the nine month period ended September 30, 2012.

*Net Other*. Net other expense decreased by $137 million to $19 million for the nine month period ended September 30, 2012 compared to net other expense of $156 million for the nine month period ended September 30, 2011. This change was primarily attributable to a $66 million gain on sale of the Louisville laminating operations in the Pactiv Foodservice segment, a $43 million decrease in unrealized loss on derivatives as the unrealized hedge position moved from a net loss position in 2011 to a net gain position in 2012, a $33 million decrease in business restructuring expenses, a $21 million decrease in operational process engineering-related consultancy costs and a $19 million decrease in business acquisition and integration costs in the current year period compared to the prior year period. These benefits were partially offset by a $16 million increase in asset impairment charges, as well as an increase of $10 million in costs due to fire damage at one of our facilities in March 2012. For additional information, refer to note 7 and note 8 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

*Net Financial Expenses*. Net financial expenses increased by $190 million, or 18%, to $1,244 million for the nine month period ended September 30, 2012 compared to $1,054 million for the nine month period ended September 30, 2011. The primary factors contributing to the increase include:

- an increase of $315 million in interest expense mainly as a result of additional borrowings incurred in August 2011 to fund the acquisition of Graham Packaging;

- a $26 million fair value adjustment on the remaining Dollar 2009 Notes; and

- a decrease of $13 million in foreign currency exchange gains.

These increases were partially offset by $135 million of gains from the change in fair value of derivatives and $79 million of fees incurred in 2011 in connection with the financing of the Graham Packaging acquisition.

Additionally, in 2012 we had a loss on extinguishment of debt of $159 million as a result of the September 2012 Refinancing Transactions which included the repayment of the Second Amended and Restated Senior Secured Credit Facilities and the tendered Dollar 2009 Notes. In 2011, we had a loss on extinguishment of debt of $129 million due to the extinguishment of the Original Senior Secured Credit Facilities. The loss on extinguishment included early repayment penalties and write-off of unamortized transaction costs.

We are primarily exposed to foreign currency exchange risk that impacts the reported financial income and financial expenses of the RGHL Group as a result of the remeasurement at each reporting date of indebtedness that is denominated in currencies other than the functional currencies of the respective issuers or borrowers. As of September 30, 2012 and September 30, 2011, the RGHL Group had dollar-denominated external borrowings of $3,272 million and $1,583 million, respectively, owed by entities whose functional currency was the euro, of which $1,950 million was issued on September 28, 2012 as part of the September 2012 Refinancing Transactions. As a result of the changes in the prevailing foreign currency exchange rates, the RGHL Group recognized a foreign currency exchange gain in connection with such borrowings during the nine month period ended September 30, 2012 compared to a foreign currency exchange gain during the nine month period ended September 30, 2011. For more information regarding the RGHL Group s financial expenses and borrowings, refer to notes 9 and 14, respectively, of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus. For more information regarding the sensitivity of the foreign currency exchange gains and losses on the borrowings, refer to Quantitative and Qualitative Disclosures about Market Risk Foreign Currency Exchange Rate Risk.

*Income Tax Expense*. For the nine month period ended September 30, 2012, we recognized an income tax benefit of $125 million on a loss before income tax of $213 million (an effective tax rate of 59%) compared to an income tax benefit of $64 million on a loss before income tax of $451 million (an effective tax rate of 14%) for the nine month period ended September 30, 2011. The increase in the effective tax rate was primarily due to the favorable resolution of Evergreen s 2009 tax year Alternative Fuel Mixture Credits ( AFMC ) refund claim and the mix of book income and losses across the various taxing jurisdictions in which the RGHL Group operates, offset by an increase in unrecognized non-U.S. tax losses, mostly in Luxembourg. For a reconciliation of the effective tax rate, refer to note 10 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

In May 2012, Evergreen submitted a refund claim to the Internal Revenue Service ( IRS ) to exclude $235 million of AFMC from 2009 taxable income. The refund claim was submitted to the IRS in the course of Evergreen s 2009 federal tax examination. In the same month, Evergreen received a Notice of Proposed Adjustment from the IRS, allowing the refund claim in full. As a result, the RGHL Group recognized $96 million of tax benefit in the nine month period ended September 30, 2012.

*Depreciation and Amortization*. Depreciation of property, plant and equipment and investment properties and amortization of intangible assets increased by $202 million, or 31%, to $856 million for the nine month period ended September 30, 2012 compared to $654 million for the nine month period ended September 30, 2011, primarily due to additional depreciation and amortization expense from the acquisitions of Graham Packaging and Dopaco.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA*. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $1,031 million, $1,887 million and $1,916 million, respectively, compared to $603 million, $1,257 million and $1,456 million, respectively, for the nine month period ended September 30, 2011.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for the RGHL Group is as follows:

| | For the nine month period ended September 30, 2012 | 2011(1)(2) |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **1,031** | **603** |
| Depreciation and amortization | 856 | 654 |
| **EBITDA(3)** | **1,887** | **1,257** |
| ***Included in the RGHL Group EBITDA:*** | | |
| Asset impairment charges | 26 | 10 |
| Business acquisition and integration costs | 37 | 56 |
| Business interruption costs | 1 | 2 |
| Change of control payments | | 12 |
| Equity method profit not distributed in cash | (12) | (9) |
| Fixed asset write-down | 10 | |
| Gain on modification of plan benefits | | (18) |
| Gain on sale of businesses | (66) | (5) |
| Impact of purchase price accounting on inventories | | 32 |
| Manufacturing plant fire, net of insurance recoveries | 11 | |
| Non-cash inventory charge | 9 | 3 |
| Non-cash pension income | (37) | (31) |
| Operational process engineering-related consultancy costs | 18 | 34 |
| Restructuring costs | 48 | 80 |
| SEC registration costs | 7 | 2 |
| Unrealized (gain) loss on derivatives | (17) | 26 |
| VAT and customs duties on historical imports | (1) | 6 |
| Other | (5) | (1) |
| **RGHL Group Adjusted EBITDA(3)** | **1,916** | **1,456** |
| **Segment detail of Adjusted EBITDA:** | | |
| SIG | 376 | 336 |
| Evergreen | 168 | 162 |
| Closures | 147 | 150 |
| Reynolds Consumer Products | 416 | 382 |
| Pactiv Foodservice | 469 | 406 |
| Graham Packaging | 373 | 41 |
| Corporate/unallocated(4) | (33) | (21) |
| **RGHL Group Adjusted EBITDA(3)** | **1,916** | **1,456** |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the nine month period ended September 30, 2011, the results of operations of Dopaco from

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May 2, 2011 to September 30, 2011 and the results of operations of Graham Packaging from September 8, 2011 to September 30, 2011.

(2) In accordance with IFRS 3 (revised) Business Combinations, the information presented for the nine month period ended September 30, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Graham Packaging acquisition. Refer to note 2.5 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

(3) RGHL Group EBITDA is defined as profit from operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We believe that issuers of high yield debt securities present EBITDA and Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

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

*SIG Segment*

| | For the nine month period ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | % of segment revenue | 2011 | % of segment revenue | Change | % change |
| | (In $ million, except for %) | | | | | |
| External revenue | 1,506 | 100% | 1,498 | 100% | 8 | 1% |
| Inter-segment revenue | | | | | | |
| Total segment revenue | 1,506 | 100% | 1,498 | 100% | 8 | 1% |
| Cost of sales | (1,126) | (75)% | (1,189) | (79)% | 63 | (5)% |
| Gross profit | 380 | 25% | 309 | 21% | 71 | 23% |
| Selling, marketing and distribution expenses/ General and administration expenses | (192) | (13)% | (194) | (13)% | 2 | (1)% |
| Net other income (expense) | (6) | | 9 | 1% | (15) | NM |
| Profit from operating activities | 200 | 13% | 137 | 9% | 63 | 46% |
| SIG segment EBITDA | 362 | 24% | 330 | 22% | 32 | 10% |
| SIG segment Adjusted EBITDA | 376 | 25% | 336 | 22% | 40 | 12% |

*Revenue*. Revenue increased by $8 million, or 1%, to $1,506 million for the nine month period ended September 30, 2012 compared to $1,498 million for the nine month period ended September 30, 2011. As discussed in more detail below, the change in revenue was attributable to higher sales volume of $103 million largely from increased sales in South America, the Middle East and Asia. This increase was partially offset by an unfavorable foreign currency impact of $95 million largely due to the strengthening of the dollar against the euro.

Revenue in Europe decreased by $82 million, or 10%, to $754 million for the nine month period ended September 30, 2012 compared to $836 million for the nine month period ended September 30, 2011 driven by an unfavorable foreign currency impact of $71 million due to the strengthening of the dollar against the euro and lower sales volume of $11 million.

Revenue in the rest of the world increased by $90 million, or 14%, to $752 million for the nine month period ended September 30, 2012 compared to $662 million for the nine month period ended September 30, 2011. The increase was primarily related to higher volumes of $114 million due to much stronger demand in the Middle East and South America, largely due to new customers, and strong growth in Asia and North America. Foreign currency impact was an unfavorable $24 million.

*Cost of Sales*. Cost of sales decreased by $63 million, or 5%, to $1,126 million for the nine month period ended September 30, 2012 compared to $1,189 million for the nine month period ended September 30, 2011. The net decrease in cost of sales included a $76 million favorable foreign currency impact, resulting from the strengthening of the dollar against the euro and lower manufacturing costs of $34 million during the nine month period ended September 30, 2012 as compared to the nine month period ended September 30, 2011, due to better utilization of our plants and higher start-up costs of the new plant in Brazil during 2011. Raw material costs also improved by $14 million compared to the prior year period, mostly due to higher raw material prices in the prior year period. These decreases in cost of sales were partially offset by a $82 million increase related primarily to higher sales volume. For the nine month periods ended September 30, 2012 and September 30, 2011, raw material costs accounted for 68% and 66% of SIG s cost of sales, respectively. The net decrease in cost of sales also included a $21 million benefit arising from adjustments to correct for period costs inappropriately capitalized and for a misclassification of expenses between cost of sales and general and administration expenses. These adjustments resulted in a reduction of EBITDA of $10 million for the nine month period ended September 30, 2012. There was no impact on Adjusted EBITDA for the nine month period ended September 30, 2012.

*Gross Profit*. Gross profit increased by $71 million, or 23%, to $380 million for the nine month period ended September 30, 2012 compared to $309 million for the nine month period ended September 30, 2011. Gross profit margin increased to 25% for the nine month period ended September 30, 2012 compared to 21% for the nine month period ended September 30, 2011. These increases were driven by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses decreased by $2 million, or 1%, to $192 million for the nine month period ended September 30, 2012 compared to $194 million for the nine month period ended September 30, 2011. The decrease was primarily due to favorable foreign currency impact of $13 million from the strengthening of the dollar against the euro and lower amortization expense of $20 million due to fully amortized patents. These decreases were offset primarily by the accounting adjustment explained above.

*Net Other*. Net other changed by $15 million, to net other expense of $6 million for the nine month period ended September 30, 2012 compared to net other income of $9 million for the nine month period ended September 30, 2011. This change was primarily attributable to an increase of $18 million in restructuring costs in the current period. The increase was partially offset by $2 million in net unrealized gains on open hedge positions, $6 million of prior year charges related to VAT and customs duties on historical imports in China, $4 million of prior year charges related to asset impairment and $2 million of prior year charges related to storm damage in Germany not incurred during the current period. These items have been included in the segment s Adjusted EBITDA calculation. In addition, other miscellaneous income decreased by $11 million, primarily related to facility management for a property sold in 2011.

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*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $200 million, $362 million and $376 million, respectively, compared to $137 million, $330 million and $336 million, respectively, for the nine month period ended September 30, 2011.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our SIG segment is as follows:

| | For the nine month period ended September 30, | |
|---|---|---|
| | 2012 | 2011 |
| | (In $ million) | |
| **Profit from operating activities** | **200** | **137** |
| Depreciation and amortization | 162 | 193 |
| **EBITDA** | **362** | **330** |
| **Included in SIG segment EBITDA:** | | |
| Asset impairment charges | | 4 |
| Business interruption costs | | 2 |
| Equity method profit not distributed in cash | (12) | (7) |
| Fixed asset write-down | 10 | |
| Operational process engineering-related consultancy costs | 1 | |
| Restructuring costs | 19 | 1 |
| Unrealized gain on derivatives | (2) | |
| VAT and customs duties on historical imports | (1) | 6 |
| Other | (1) | |
| **SIG segment Adjusted EBITDA** | **376** | **336** |

*Evergreen Segment*

| | For the nine month period ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | % of segment revenue | 2011 | % of segment revenue | Change | % change |
| | (In $ million, except for %) | | | | | |
| External revenue | 1,175 | 95% | 1,168 | 98% | 7 | 1% |
| Inter-segment revenue | 61 | 5% | 29 | 2% | 32 | 110% |
| Total segment revenue | 1,236 | 100% | 1,197 | 100% | 39 | 3% |
| Cost of sales | (1,064) | (86)% | (1,036) | (87)% | (28) | 3% |
| Gross profit | 172 | 14% | 161 | 13% | 11 | 7% |
| Selling, marketing and distribution expenses/ General and administration expenses | (68) | (6)% | (71) | (6)% | 3 | (4)% |
| Net other income | 23 | 2% | 28 | 2% | (5) | (18)% |
| Profit from operating activities | 128 | 10% | 119 | 10% | 9 | 8% |
| Evergreen segment EBITDA | 170 | 14% | 164 | 14% | 6 | 4% |
| Evergreen segment Adjusted EBITDA | 168 | 14% | 162 | 14% | 6 | 4% |

*Revenue.* Revenue increased by $39 million, or 3%, to $1,236 million for the nine month period ended September 30, 2012 compared to $1,197 million for nine month period ended September 30, 2011. This increase

was attributable to a $27 million increase in sales of paper products, along with an increase of $15 million in sales of cartons, partially offset by a decrease of $3 million in sales of liquid packaging board. The increase in sales of paper products was comprised of an increase of $44 million due to higher volumes, primarily as a result of higher export and market demand for certain of our paper products, partially offset by a decrease of $17 million as pricing declined in the current period. The increase in sales of cartons was due to $14 million in price increases, as well as an increase of $1 million attributable to higher sales volumes. The decrease in sales of liquid packaging board was primarily due to lower volumes of $4 million, partially offset by an increase of $1 million due to price increases.

*Cost of Sales*. Cost of sales increased by $28 million, or 3%, to $1,064 million for the nine month period ended September 30, 2012 compared to $1,036 million for the nine month period ended September 30, 2011. This change was driven by a $54 million increase primarily due to higher paper volumes, which consisted of higher export shipments in the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011, partially offset by a $26 million decrease primarily as a result of lower raw materials and other input costs, primarily energy, resins and fiber, and maintenance costs. Evergreen completed two planned mill outages during both the nine month period ended September 30, 2012 and the nine month period ended September 30, 2011; however, the outages completed during 2011 were much larger in scale than the outages completed during 2012. The 2011 outages led to higher maintenance costs during that period as compared to the nine months ended September 30, 2012. For the nine month periods ended September 30, 2012 and September 30, 2011, raw material costs accounted for 42% and 44% of Evergreen s cost of sales, respectively.

*Gross Profit*. Gross profit increased by $11 million, or 7%, to $172 million for the nine month period ended September 30, 2012 compared to $161 million for the nine month period ended September 30, 2011. Gross profit margin increased to 14% for the nine month period ended September 30, 2012 compared to 13% for the nine month period ended September 30, 2011. These increases were driven by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

Evergreen s gross profit is impacted by changes in the costs of raw materials, including fiber, resin, commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal. Evergreen purchases most of its raw materials and other input costs on the spot market and generally cannot immediately pass through price increases or declines to certain of its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Evergreen s purchases of raw materials from its suppliers and sales to certain of its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses decreased by $3 million, or 4%, to $68 million for the nine month period ended September 30, 2012 compared to $71 million for the nine month period ended September 30, 2011.

*Net Other*. Net other income decreased by $5 million, to $23 million for the nine month period ended September 30, 2012 compared to net other income of $28 million for the nine month period ended September 30, 2011. This decrease is mainly attributable to landfill tipping fees earned during the nine month period ended September 30, 2011. There were no landfill tipping fees earned in the current period. Net other income is primarily comprised of sales of by-products.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA*. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $128 million, $170 million and $168 million, respectively, compared to $119 million, $164 million and $162 million, respectively, for the nine month period ended September 30, 2011.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our Evergreen segment is as follows:

| | For the nine month period ended September 30, 2012 | 2011 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **128** | **119** |
| Depreciation and amortization | 42 | 45 |
| **EBITDA** | **170** | **164** |
| **Included in Evergreen segment EBITDA:** | | |
| Equity method profit not distributed in cash | | (2) |
| Restructuring costs (recoveries) | 1 | |
| Unrealized gain on derivatives | (3) | |
| **Evergreen segment Adjusted EBITDA** | **168** | **162** |

*Closures Segment*

| | For the nine month period ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | % of segment revenue | 2011 | % of segment revenue | Change | % change |
| | | | (In $ million, except for %) | | | |
| External revenue | 956 | 99% | 1,017 | 99% | (61) | (6)% |
| Inter-segment revenue | 10 | 1% | 9 | 1% | 1 | 11% |
| Total segment revenue | 966 | 100% | 1,026 | 100% | (60) | (6)% |
| Cost of sales | (784) | (81)% | (865) | (84)% | 81 | (9)% |
| Gross profit | 182 | 19% | 161 | 16% | 21 | 13% |
| Selling, marketing and distribution expenses/ General and administration expenses | (91) | (9)% | (71) | (7)% | (20) | 28% |
| Net other income (expense) | (2) | | 2 | | (4) | NM |
| Profit from operating activities | 89 | 9% | 92 | 9% | (3) | (3)% |
| Closures segment EBITDA | 143 | 15% | 150 | 15% | (7) | (5)% |
| Closures segment Adjusted EBITDA | 147 | 15% | 150 | 15% | (3) | (2)% |

*Revenue*. Revenue decreased by $60 million, or 6%, to $966 million for the nine month period ended September 30, 2012 compared to $1,026 million for the nine month period ended September 30, 2011. This decrease was attributable to a $40 million decrease as a result of changes in product mix and pricing related to price concessions and the pass-through of resin price changes to customers. In addition, revenue decreased by $37 million as a result of an unfavorable foreign currency impact, primarily due to the strengthening of the dollar against the euro, Brazilian real and Mexican peso. These decreases were partially offset by the impact of higher sales volumes of $17 million, primarily due to the stabilization of the political environment in the Middle East and market share growth.

Revenue from North America decreased by $40 million, or 9%, to $392 million for the nine month period ended September 30, 2012 compared to $432 million for the nine month period ended September 30, 2011. This decrease was attributable to a decrease of $30 million due to changes in product mix and pricing related to price concessions and the pass-through of resin price changes to customers. In addition revenue decreased by $9

142

million as a result of an unfavorable foreign currency impact, primarily due to the strengthening of the dollar against the Mexican peso, and a decrease of $1 million due to lower sales volumes, which was primarily due to decreased customer demand as a result of market conditions.

Revenue from the rest of the world decreased by $20 million, or 3%, to $574 million for the nine month period ended September 30, 2012 compared to $594 million for the nine month period ended September 30, 2011. This decrease was attributable to an unfavorable foreign currency impact of $28 million, primarily due to the strengthening of the dollar against the euro and Brazilian real and a decrease of $10 million due to changes in pricing related to the pass-through of resin price changes to customers as well as the unfavorable impact of changes in product mix, partially attributable to the sale of one of Closures European businesses in June 2011 which sold higher priced closures compared to the ongoing European business. These decreases were partially offset by an increase of $18 million due to higher sales volumes. During 2011, the Middle East experienced a decrease in sales due to the impact of the political turmoil in the region. With the relative stabilization of the political environment, sales volumes have increased in comparison to the prior year period. The Asia region experienced an increase in sales volumes as a result of market share growth.

*Cost of Sales*. Cost of sales decreased by $81 million, or 9%, to $784 million for the nine month period ended September 30, 2012 compared to $865 million for the nine month period ended September 30, 2011.

Closures cost of sales is impacted by changes in product mix and raw material costs. The decrease in cost of sales included a $36 million favorable foreign currency impact due to the strengthening of the dollar as noted above, and lower costs of $32 million due to changes in raw material costs, including resin, for the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011. In addition, cost of sales decreased by $4 million due to lower manufacturing costs, including labor, overhead, utilities and depreciation, during the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011. For the nine month periods ended September 30, 2012 and September 30, 2011, raw material costs accounted for 63% and 62% of Closures cost of sales, respectively. Cost of sales also included a decrease of $17 million as a result of a reclassification of certain plant administration expenses from cost of sales to general and administration expenses in the nine month period ended September 30, 2012. These decreases were partially offset by an increase of $8 million in sales volumes as discussed above.

*Gross Profit*. Gross profit increased by $21 million, or 13%, to $182 million for the nine month period ended September 30, 2012 compared to $161 million for the nine month period ended September 30, 2011. Gross profit margin increased to 19% for the nine month period ended September 30, 2012 compared to 16% for the nine month period ended September 30, 2011. These increases were driven primarily by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

Closures gross profit is also impacted by the pass-through of resin price increases to customers. Contractual price adjustments with customers do not occur simultaneously with actual resin purchase price fluctuations, but rather on a monthly, quarterly, semi-annual or other basis. Therefore, due to the difference in timing between Closures purchase of resin from its suppliers and sales of closures to its customers, pricing related to the pass-through of resin price fluctuations to customers directly impacts gross profit.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses increased by $20 million, or 28%, to $91 million for the nine month period ended September 30, 2012 compared to $71 million for the nine month period ended September 30, 2011. This increase was primarily attributable to the $17 million reclassification of certain plant administration expenses from cost of sales to general and administration expenses in the nine month period ended September 30, 2012, as discussed above.

*Net Other*. Net other changed by $4 million to net other expense of $2 million for the nine month period ended September 30, 2012 compared to net other income of $2 million for the nine month period ended September 30, 2011. This change was primarily attributable to a gain of $5 million on the sale of one of Closures European businesses in the nine month period ended September 30, 2011, which has been included in the segment s Adjusted EBITDA calculation.

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*Profit from Operating Activities, EBITDA and Adjusted EBITDA*. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $89 million, $143 million and $147 million, respectively, compared to $92 million, $150 million and $150 million, respectively, for the nine month period ended September 30, 2011.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our Closures segment is as follows:

| | For the nine month period ended September 30, 2012 | 2011 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **89** | **92** |
| Depreciation and amortization | 54 | 58 |
| **EBITDA** | **143** | **150** |
| **Included in Closures segment EBITDA:** | | |
| Business interruption costs | 1 | 1 |
| Gain on sale of business | | (5) |
| Restructuring costs | 1 | 3 |
| Unrealized loss on derivatives | 1 | 1 |
| Other | 1 | |
| **Closures segment Adjusted EBITDA** | **147** | **150** |

*Reynolds Consumer Products Segment*

| | For the nine month period ended September 30, 2012 | % of segment revenue | 2011 | % of segment revenue | Change | % change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| External revenue | 1,816 | 96% | 1,808 | 98% | 8 | |
| Inter-segment revenue | 77 | 4% | 43 | 2% | 34 | 79% |
| Total segment revenue | 1,893 | 100% | 1,851 | 100% | 42 | 2% |
| Cost of sales | (1,391) | (73)% | (1,424) | (77)% | 33 | (2)% |
| Gross profit | 502 | 27% | 427 | 23% | 75 | 18% |
| Selling, marketing and distribution expenses/ General and administration expenses | (188) | (10)% | (165) | (9)% | (23) | 14% |
| Net other income (expense) | 10 | 1% | (49) | (3)% | 59 | NM |
| Profit from operating activities | 324 | 17% | 213 | 12% | 111 | 52% |
| Reynolds Consumer Products segment EBITDA | 421 | 22% | 325 | 18% | 96 | 30% |
| Reynolds Consumer Products segment Adjusted EBITDA | 416 | 22% | 382 | 21% | 34 | 9% |

The discussions below include references to actual synergies that have been achieved during the nine month period ended September 30, 2012 as a result of integrating the Hefty consumer products business into the Reynolds Consumer Products segment. These actual benefits realized resulted from a combination of cost savings, including procurement, distribution efficiencies and integration of the sales-force and various administration functions across the combined segment. The benefits are measured based on clear and quantifiable

measures, such as observable reductions in fixed overhead costs, the elimination of distribution costs and the elimination of salaries and benefits related to headcount reductions.

*Revenue*. Revenue increased by $42 million, or 2%, to $1,893 million for the nine month period ended September 30, 2012 compared to $1,851 million for the nine month period ended September 30, 2011. The increase was driven by the benefit of $51 million from product and price mix largely driven by price increases implemented during 2011, partially offset by lower volumes of $8 million across all product groups and higher trade and promotional spending of $1 million.

*Cost of Sales*. Cost of sales decreased by $33 million, or 2%, to $1,391 million for the nine month period ended September 30, 2012 compared to $1,424 million for the nine month period ended September 30, 2011. The decrease in cost of sales was attributable to benefits from actual synergies realized, largely related to a net decrease in raw material and operational costs. For the nine month periods ended September 30, 2012 and September 30, 2011, raw material costs accounted for 67% and 66% of Reynolds Consumer Products cost of sales, respectively.

*Gross Profit*. Gross profit increased by $75 million, or 18%, to $502 million for the nine month period ended September 30, 2012 compared to $427 million for the nine month period ended September 30, 2011. Gross profit margin increased to 27% for the nine month period ended September 30, 2012 compared to 23% for the nine month period ended September 30, 2011. These increases were primarily driven by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

Reynolds Consumer Products generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. For most resin based products, there is a lag time between the purchase of raw materials by Reynolds Consumer Products and the pass-through of raw material price fluctuations to customers. For branded products, contracts with customers do not contain contractual price protection for raw material cost fluctuations. Due to the differences in timing between Reynolds Consumer Products purchases of resin from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising resin prices and positively impacted in periods of falling resin prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses increased by $23 million, or 14%, to $188 million for the nine month period ended September 30, 2012 compared to $165 million for the nine month period ended September 30, 2011. This increase was attributable to higher advertising and marketing related costs of $17 million during the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011. Higher advertising expenses during the nine month period ended September 30, 2012 largely related to a new product launch. In addition, selling, marketing and distribution expenses and general and administration expenses also increased $16 million as a result of a reclassification of certain plant administration expenses from cost of sales to general and administration expenses in the nine month period ended September 30, 2012. These increases were partially offset by benefits from actual synergies realized from the integration of the sales-force and various administration functions across the combined segment.

*Net Other*. Net other changed by $59 million to net other income of $10 million for the nine month period ended September 30, 2012 compared to net other expense of $49 million for the nine month period ended September 30, 2011. This change was mainly attributable to a decrease of $33 million in unrealized loss on derivatives, as the unrealized hedge position moved from a net loss position in 2011 to a net gain position in 2012, a decrease of $18 million in operational process engineering-related consultancy costs and a decrease of $11 million in restructuring costs. These items have been included in the segment s Adjusted EBITDA calculation.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA*. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $324 million, $421 million and $416 million, respectively, compared to $213 million, $325 million and $382 million, respectively, for the nine month period ended September 30, 2011.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our Reynolds Consumer Products segment is as follows:

| | For the nine month period ended September 30, 2012 | 2011 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **324** | **213** |
| Depreciation and amortization | 97 | 112 |
| **EBITDA** | **421** | **325** |
| **Included in Reynolds Consumer Products segment EBITDA:** | | |
| Business acquisition and integration costs | 2 | 3 |
| Business interruption recoveries | | (1) |
| Non-cash inventory charge | 3 | 1 |
| Non-cash pension expense | | 2 |
| Operational process engineering-related consultancy costs | 1 | 19 |
| Restructuring costs | | 11 |
| Unrealized (gain) loss on derivatives | (11) | 22 |
| **Reynolds Consumer Products segment Adjusted EBITDA** | **416** | **382** |

*Pactiv Foodservice Segment*

| | For the nine month period ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | % of segment revenue | 2011(1) | % of segment revenue | Change | % change |
| | (In $ million, except for %) | | | | | |
| External revenue | 2,547 | 88% | 2,532 | 86% | 15 | 1% |
| Inter-segment revenue | 358 | 12% | 407 | 14% | (49) | (12)% |
| Total segment revenue | 2,905 | 100% | 2,939 | 100% | (34) | (1)% |
| Cost of sales | (2,442) | (84)% | (2,544) | (87)% | 102 | (4)% |
| Gross profit | 463 | 16% | 395 | 13% | 68 | 17% |
| Selling, marketing and distribution expenses/ General and administration expenses | (217) | (7)% | (213) | (7)% | (4) | 2% |
| Net other income (expense) | 23 | 1% | (94) | (3)% | 117 | (124)% |
| Profit from operating activities | 269 | 9% | 88 | 3% | 181 | 206% |
| Pactiv Foodservice segment EBITDA | 482 | 17% | 302 | 10% | 180 | 60% |
| Pactiv Foodservice segment Adjusted EBITDA | 469 | 16% | 406 | 14% | 63 | 16% |

(1) Inter-segment revenue for the nine month period ended September 30, 2011 has been revised to conform to the presentation of the nine month period ended September 30, 2012. Refer to note 2.5 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus for additional information.

We acquired Dopaco on May 2, 2011. The operating results of Dopaco have been included in the Pactiv Foodservice segment since the date of the Dopaco Acquisition. Accordingly, approximately five months of Dopaco operations were included in the nine month period ended September 30, 2011. For the nine month

periods ended September 30, 2012 and September 30, 2011, Dopaco s revenue was $362 million and $206 million, respectively.

On January 27, 2012, we sold the Pactiv Foodservice laminating operations in Louisville, Kentucky for cash proceeds of $80 million (subject to customary post-closing working capital adjustments), resulting in a gain on sale of $66 million.

The discussions below include references to actual synergies that have been achieved during the nine month period ended September 30, 2012 as a result of integrating the Pactiv foodservice packaging business and Dopaco into the Pactiv Foodservice segment (formerly the Reynolds foodservice packaging business prior to the Pactiv Acquisition). These actual benefits realized resulted from a combination of cost savings, including procurement, distribution efficiencies, plant rationalization and integration of the sales force and various administration functions across the combined segment. The benefits are measured based on clear and quantifiable measures, such as observable reductions in fixed overhead costs, the elimination of costs specific to production facilities that have been closed and the elimination of salaries and benefits related to headcount reductions.

*Revenue*. Revenue decreased by $34 million, or 1%, to $2,905 million for the nine month period ended September 30, 2012 compared to $2,939 million for the nine month period ended September 30, 2011. This decrease was primarily attributable to a volume decrease of $145 million driven by the sale of the laminating operations and exiting certain low margin non-strategic product offerings. In addition, revenue decreased by $101 million due to lower volume, principally driven by lower sales in ongoing product offerings. This was partially offset by incremental revenue of $156 million generated from the acquired Dopaco operations and a $67 million impact from pricing related to the pass-through of resin price changes to customers.

*Cost of Sales*. Cost of sales decreased by $102 million, or 4%, to $2,442 million for the nine month period ended September 30, 2012 compared to $2,544 million for the nine month period ended September 30, 2011. This was primarily attributable to a decrease of $87 million due to the sale of the laminating operations, lower volume primarily due to exiting certain low margin non-strategic product offerings and lower volume in ongoing product offering categories. The remaining decrease was largely due to improved operational performance driven by benefits from actual synergies realized from the acquisitions of Pactiv and Dopaco, partially offset by an increase in cost of sales due to higher paper cup and carton sales. In addition to these factors, during the nine month period ended September 30, 2012, Pactiv Foodservice has reduced inventory levels in an effort to continue to streamline operations and optimize working capital levels. As a result, while the process of decreasing inventory levels is underway, there is a lower level of inventory produced to absorb fixed manufacturing costs than during the nine month period ended September 30, 2011. This results in greater cost of sales per product and lower gross margin in the period of decreasing inventory.

Raw material costs accounted for 55% of Pactiv Foodservice s cost of sales for both of the nine month periods ended September 30, 2012 and September 30, 2011. Raw material costs for the nine month period ended September 30, 2012 decreased by $45 million compared to the nine month period ended September 30, 2011, primarily due to a decrease in raw material costs, primarily resin, and $72 million from decreased volume due to the sale of the laminating operations, as well as from lower volume primarily due to exiting certain low margin non-strategic product offerings, partially offset by the incremental volume attributable to paper cup and carton sales.

*Gross Profit*. Gross profit increased by $68 million, or 17%, to $463 million for the nine month period ended September 30, 2012 compared to $395 million for the nine month period ended September 30, 2011. Gross profit margin increased to 16% (18% as a percentage of external revenue) for the nine month period ended September 30, 2012 compared to 13% (16% as a percentage of external revenue) for the nine month period ended September 30, 2011. These increases were primarily driven by the changes in revenue and cost of sales as discussed above. The reduction in inventory levels during the nine month period ended September 30, 2012 has decreased gross profit by $14 million as discussed in the preceding paragraphs.

Pactiv Foodservice s gross profit is impacted by changes in the costs of raw materials, including resin and aluminum. Pactiv Foodservice generally cannot immediately pass through price increases or declines to its customers because the price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Pactiv Foodservice s purchases of

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raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses increased by $4 million, or 2%, to $217 million for the nine month period ended September 30, 2012 compared to $213 million for the nine month period ended September 30, 2011, primarily due to increased expenses related to higher paper cup and carton sales, partially offset by benefits from actual synergies realized from the Pactiv Acquisition.

*Net Other*. Net other changed by $117 million to net other income of $23 million for the nine month period ended September 30, 2012 compared to net other expense of $94 million for the nine month period ended September 30, 2011. This change was primarily attributable to a $66 million gain on sale of the laminating operations discussed above, a decrease of $43 million in business restructuring expenses, a decrease of $9 million in business acquisition and integration costs and a decrease of $5 million in unrealized loss on derivatives, as the unrealized hedge position moved from a net loss position in 2011 to a net gain position in 2012. These benefits were partially offset by an increase of $11 million due to fire damage at one of our facilities in March 2012 and an increase of $5 million in asset impairment charges. These items have been included in the segment s Adjusted EBITDA calculation.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA*. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $269 million, $482 million and $469 million, respectively, compared to $88 million, $302 million and $406 million, respectively, for the nine month period ended September 30, 2011.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our Pactiv Foodservice segment is as follows:

| | For the nine month period ended September 30, | |
|---|---|---|
| | **2012** | **2011** |
| | **(In $ million)** | |
| **Profit from operating activities** | **269** | **88** |
| Depreciation and amortization | 213 | 214 |
| **EBITDA** | **482** | **302** |
| **Included in Pactiv Foodservice segment EBITDA:** | | |
| Asset impairment charges | 11 | 6 |
| Business acquisition and integration costs | 18 | 27 |
| Gain on sale of business | (66) | |
| Impact of purchase price accounting on inventories | | 6 |
| Manufacturing plant fire, net of insurance recoveries | 11 | |
| Non-cash inventory charge | 6 | 2 |
| Non-cash pension expense | | 3 |
| Operational process engineering-related consultancy costs | 11 | 12 |
| Restructuring costs | 3 | 46 |
| Unrealized (gain) loss on derivatives | (2) | 3 |
| Other | (5) | (1) |
| **Pactiv Foodservice segment Adjusted EBITDA** | **469** | **406** |

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*Graham Packaging Segment*

| | For the nine month period ended September 30, | | | |
|---|---|---|---|---|
| | 2012 | % of segment revenue | 2011(1)(2) | % of segment revenue |
| | (In $ million, except for %) | | | |
| External revenue | 2,357 | 100% | 256 | 100% |
| Inter-segment revenue | | | | |
| Total segment revenue | 2,357 | 100% | 256 | 100% |
| Cost of sales | (2,129) | (90)% | (257) | (100)% |
| Gross profit (loss) | 228 | 10% | (1) | |
| Selling, marketing and distribution expenses/General and administration expenses | (138) | (6)% | (26) | (10)% |
| Net other expense | (59) | (3)% | (3) | (1)% |
| Profit (loss) from operating activities | 31 | 1% | (30) | (12)% |
| Graham Packaging segment EBITDA | 319 | 14% | 2 | 1% |
| Graham Packaging segment Adjusted EBITDA | 373 | 16% | 41 | 16% |

(1) Represents the results of operations of Graham Packaging from September 8, 2011 to September 30, 2011.

(2) In accordance with IFRS 3 (revised) Business Combinations, the information presented for the nine month period ended September 30, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Graham Packaging acquisition. Refer to note 2.5 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

We acquired Graham Packaging on September 8, 2011. The operating results of Graham Packaging have been included in the RGHL Group s operating results as a separate reporting segment since the date of the acquisition.

For the period from January 1, 2011 to September 7, 2011, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, net other expense, loss from operating activities, EBITDA and Adjusted EBITDA for Graham Packaging were $2,130 million, $1,817 million, $173 million, $239 million, $99 million, $43 million and $388 million, respectively. These amounts include IFRS adjustments to Graham Packaging s historical results that were previously reported under U.S. GAAP.

The following discussion of our Graham Packaging operating results provides comparisons on a supplemental pro forma basis as if the operating results of the Graham Packaging business had been included in our operating results for the full nine month period ended September 30, 2011. Given the relative size and timing of this acquisition, we believe a discussion of the operating results on a supplemental pro forma basis provides a reasonable comparison of the operating results for the periods presented. The comparison assists in understanding the current period segment results including the underlying factors affecting the results of operations, the changes in these factors that occurred in the nine month period ended September 30, 2012 compared to the nine month period ended September 30, 2011 and the impact of our integration activities. The supplemental pro forma amounts were derived from Graham Packaging s historical operating results that were previously reported under U.S. GAAP as adjusted for IFRS and from operating results since the date of the acquisition of Graham Packaging. The Graham Packaging pro forma historical operating results for the nine month period ended September 30, 2011 reflect the purchase accounting effects of the acquisition of Graham Packaging.

The supplemental pro forma information is for informational purposes only and is not intended to represent, or to be indicative of, the results of operations that we would have reported had the Graham Packaging Acquisition been completed on January 1, 2011 and should not be taken as being indicative of our future results of operations.

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*Revenue*. Revenue was $2,357 million for the nine month period ended September 30, 2012 and $256 million for the nine month period ended September 30, 2011.

On a pro forma basis, revenue would have decreased by $29 million, or 1%, to $2,357 million for the nine month period ended September 30, 2012 compared to an estimated $2,386 million for the nine month period ended September 30, 2011. The estimated decrease in revenue would have been primarily attributable to decreases in unit volume sales to customers as well as an unfavorable foreign currency impact, largely due to the strengthening of the dollar against the euro, the Brazilian real and the Mexican peso, partially offset by an increase in resin pricing passed through to our customers.

*Cost of Sales*. Cost of sales was $2,129 million for the nine month period ended September 30, 2012 and $257 million for the nine month period ended September 30, 2011. For the nine month period ended September 30, 2012, raw material costs accounted for 58% of Graham Packaging s cost of sales compared to 52% for the nine month period ended September 30, 2011.

On a pro forma basis, cost of sales would have increased by $55 million, or 3%, to $2,129 million for the nine month period ended September 30, 2012 compared to an estimated $2,074 million for the nine month period ended September 30, 2011. The estimated increase in cost of sales would have been primarily attributable to an overall increase in raw material and operations costs, and incremental depreciation and amortization of $77 million as a result of the revaluation of fixed assets and identifiable intangible assets in conjunction with the Graham Packaging Acquisition during the prior year period, partially offset by the inventory revaluation impact of $26 million resulting from the purchase accounting for the acquisition. For the nine month period ended September 30, 2011, raw material costs would have accounted for 59% of Graham Packaging s cost of sales.

*Gross Profit (Loss)*. For the nine month period ended September 30, 2012, gross profit was $228 million and gross profit margin was 10%. For the nine month period ended September 30, 2011, gross loss was $1 million.

On a pro forma basis, gross profit would have decreased by $84 million, or 27%, to $228 million for the nine month period ended September 30, 2012 compared to an estimated $312 million for the nine month period ended September 30, 2011. Gross profit margin was 10% for the nine month period ended September 30, 2012 compared to an estimated 13% for the nine month period ended September 30, 2011. These estimated decreases would have been driven by the changes in revenue and cost of sales as discussed in the preceding paragraphs.

Graham Packaging s gross profit is impacted by changes in the costs of raw materials, including resin, and energy-related costs. Graham Packaging purchases most of its raw materials and other input costs on the spot market and generally cannot immediately pass through price increases or declines to certain of its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Graham Packaging s purchases of raw materials from its suppliers and sales to certain of its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses were $138 million for the nine month period ended September 30, 2012 and $26 million for the nine month period ended September 30, 2011.

On a pro forma basis, selling, marketing and distribution expenses and general and administration expenses would have decreased by $61 million, or 31%, to $138 million for the nine month period ended September 30, 2012 compared to an estimated $199 million for the nine month period ended September 30, 2011. The estimated decrease in selling, marketing and distribution expenses and general and administration expenses would have been primarily attributable to approximately $102 million of acquisition-related costs in the nine month period ended September 30, 2011 in connection with the Graham Packaging Acquisition, partially offset by incremental amortization expense of $43 million related to the fair value of identifiable intangible assets recorded as part of the Graham Packaging Acquisition.

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*Net Other.* Net other expense was $59 million for the nine month period ended September 30, 2012 and $3 million for the nine month period ended September 30, 2011. Net other expense for the nine month period ended September 30, 2012 included restructuring costs of $25 million, asset impairment charges of $15 million and business acquisition and integration costs of $14 million. These items have been included in the segment s Adjusted EBITDA calculation.

On a pro forma basis, net other expense would have decreased by $183 million, or 76%, to $59 million for the nine month period ended September 30, 2012 compared to an estimated $242 million for the nine month period ended September 30, 2011. The estimated decrease in net other expense would have been primarily attributable to a $234 million expense for the termination of income tax receivable agreements during the nine month period ended September 30, 2011, as a result of the Graham Packaging Acquisition, which has been included in the segment s estimated pro forma Adjusted EBITDA calculation.

*Profit (Loss) from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2012 were $31 million, $319 million and $373 million, respectively. Loss from operating activities, EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2011 were $30 million, $2 million and $41 million, respectively.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit (loss) from operating activities to EBITDA and Adjusted EBITDA for the nine month periods ended September 30, 2012 and September 30, 2011 for our Graham Packaging segment is as follows:

| | For the nine month period ended September 30, | |
|---|---|---|
| | 2012 | 2011(1)(2) |
| | (In $ million) | |
| **Profit (loss) from operating activities** | **31** | **(30)** |
| Depreciation and amortization | 288 | 32 |
| **EBITDA** | **319** | **2** |
| **Included in Graham Packaging segment EBITDA:** | | |
| Asset impairment charges | 15 | |
| Business acquisition and integration costs | 14 | 1 |
| Change of control payments | | 12 |
| Impact of purchase price accounting on inventories | | 26 |
| Restructuring costs | 25 | |
| **Graham Packaging segment Adjusted EBITDA** | **373** | **41** |

(1) Represents the results of operations of Graham Packaging from September 8, 2011 to September 30, 2011.

(2) In accordance with IFRS 3 (revised) Business Combinations, the information presented for the nine month period ended September 30, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Graham Packaging acquisition. Refer to note 2.5 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus.

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***Year Ended December 31, 2011 Compared with the Year Ended December 31, 2010***

*Reynolds Group Holdings Limited*

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2011(1) | % of Revenue | 2010(2) | % of Revenue | Change | % Change |
| | (in $ million, except for %) | | | | | |
| **Revenue** | **11,789** | **100%** | **6,774** | **100%** | **5,015** | **74%** |
| Cost of sales | (9,725) | (82)% | (5,524) | (82)% | (4,201) | 76% |
| **Gross profit** | **2,064** | **18%** | **1,250** | **18%** | **814** | **65%** |
| Selling, marketing and distribution expense/General and administration expense | (975) | (8)% | (623) | (9)% | (352) | 57% |
| Net other income (expenses) | (181) | (2)% | 22 | % | (203) | NM |
| Share of profit of associates and joint ventures, net of income tax | 17 | % | 18 | % | (1) | (6)% |
| **Profit from operating activities** | **925** | **8%** | **667** | **10%** | **258** | **39%** |
| Financial income | 22 | % | 66 | 1% | (44) | (67)% |
| Financial expenses | (1,420) | (12)% | (752) | (11)% | (668) | 89% |
| **Net financial expenses** | **(1,398)** | **(12)%** | **(686)** | **(10)%** | **(712)** | **104%** |
| **Loss before income tax** | **(473)** | **(4)%** | **(19)** | **%** | **(454)** | **NM** |
| Income tax benefit (expense) | 56 | % | (78) | (1)% | 134 | NM |
| **Loss after income tax** | **(417)** | **(4)%** | **(97)** | **(1)%** | **(320)** | **330%** |
| Depreciation and amortization | 972 | 8% | 504 | 7% | 468 | 93% |
| RGHL Group EBITDA(3) | 1,897 | 16% | 1,171 | 17% | 726 | 62% |
| RGHL Group Adjusted EBITDA(3) | 2,124 | 18% | 1,251 | 18% | 873 | 70% |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the full year ended December 31, 2011.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010. The results of Graham Packaging and Dopaco are not included as those businesses were acquired on September 8, 2011 and May 2, 2011, respectively.

(3) RGHL Group EBITDA is defined as profit from operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a

measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with

IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA and Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

As more fully described under Overview Recent Acquisitions and Integration, we acquired Graham Packaging on September 8, 2011. The results of operations of Graham Packaging have been included in the RGHL Group s results of operations as a separate segment since the consummation of the Graham Packaging Acquisition. For the year ended December 31, 2011, Graham Packaging s revenue, loss from operating activities, EBITDA and Adjusted EBITDA included as a separate segment in the RGHL Group s results were $967 million, $24 million, $105 million and $156 million, respectively.

We acquired Pactiv on November 16, 2010. The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of our 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. However, we have in a number of instances provided Pactiv s results for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on our results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, Pactiv s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA were $3,198 million, $2,464 million, $421 million, $285 million, $455 million and $567 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. In addition, the operating results of Dopaco have been combined with the operating results of our Pactiv Foodservice segment since May 2, 2011, the date of the Dopaco Acquisition. For the period from May 2, 2011 to December 31, 2011, Dopaco s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA included in the results of the Pactiv Foodservice segment were $331 million, $300 million, $9 million, $10 million, $28 million and $45 million, respectively. For further details on the RGHL Group s acquisitions, refer to note 33 of the RGHL Group s audited financial statements included elsewhere in this prospectus.

*Revenue.* Revenue increased by $5,015 million, or 74%, to $11,789 million for the year ended December 31, 2011 compared to $6,774 million for the year ended December 31, 2010. The increase was largely attributable to incremental revenue generated from the operations of Graham Packaging and Dopaco which were acquired in 2011 and the benefit from the full year results of operations from the acquisition of Pactiv as discussed above. In addition, revenue increased at (a) SIG driven by increased sales in China, Brazil, South Asia and the Middle East, (b) Evergreen driven by increased sales in liquid packaging board and cartons that were partially offset by a decrease in sales of paper products, (c) Closures driven by market growth in North America, China and Japan, (d) Reynolds Consumer Products driven by price increases partially offset by volume declines in tableware and cooking product lines due to lower market demand and (e) Pactiv Foodservice driven by the impact from improved pricing primarily due to the flow-through of resin purchase price increases. Foreign exchange rates had a favorable impact of $128 million largely resulting from the strengthening of the euro, Japanese yen, Mexican peso and Brazilian real against the dollar.

*Cost of Sales.* Cost of sales increased by $4,201 million, or 76%, to $9,725 million for the year ended December 31, 2011 compared to $5,524 million for the year ended December 31, 2010. The increase in cost of sales was largely attributable to the acquired operations of Pactiv, Dopaco and Graham Packaging noted above as well as higher raw material costs. The increases were offset by benefits from actual synergies realized and improved operational performance and a net positive impact of $30 million resulting from the difference in the fair value adjustment of inventories acquired in 2011 compared to 2010. Cost of sales as a percentage of revenue remained relatively flat at 82%. There was an increase in cost of sales as a percentage of revenue at SIG which was more than offset by a decrease in cost of sales as a percentage of revenue at Evergreen and at Pactiv Foodservice. Cost of sales as a percentage of the respective segment revenue at Closures and Reynolds Consumer Products were relatively flat compared to the prior year.

*Gross Profit.* Gross profit increased by $814 million, or 65%, to $2,064 million for the year ended December 31, 2011 compared to $1,250 million for the year ended December 31, 2010. However, gross profit margin remained flat at 18% for the year ended December 31, 2011 compared to the year ended December 31, 2010. Increases in raw material costs across all segments and higher depreciation expense resulting from the Pactiv, Dopaco and Graham Packaging acquisitions were offset by benefits from actual synergies realized and improved operational performance as well as the time lag in the pass-through of raw material costs to the customers. Compared to the prior year, gross profit margin declined at SIG and increased at both Evergreen and Pactiv Foodservice. Gross profit margin at both Closures and Reynolds Consumer Products remained unchanged compared to the prior year.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $352 million, or 57%, to $975 million for the year ended December 31, 2011 compared to $623 million for the year ended December 31, 2010. The increase in expenses was primarily attributable to the operations of Pactiv, Dopaco and Graham Packaging. There was an increase in selling, marketing and distribution expenses and general and administration expenses at SIG driven by expanding SIG s operations in China and Brazil which was more than offset by declines at Reynolds Consumer Products (excluding the acquisition impact) and Pactiv Foodservice (excluding the acquisition impact), reflecting benefits from actual synergies realized as part of the integration of the acquired Pactiv businesses into the RGHL Group. Selling, marketing and distribution expenses and general and administration expenses also reflect an increase of $37 million in pension income and a gain of $25 million recorded in 2011 from the modification of retiree medical plan benefits.

*Other.* Net other expense was $181 million for the year ended December 31, 2011 compared to net other income of $22 million for the year ended December 31, 2010. The change was primarily attributable to a $79 million increase in business restructuring costs related to severance, a $73 million increase in business acquisition and integration costs, a $34 million increase in consultancy costs for operational process engineering projects and an increase of $29 million in unrealized losses on open hedge positions for the year ended December 31, 2011 compared to unrealized gains for the year ended December 31, 2010. These increases in net other expenses were partially offset by a reduction of $16 million in asset impairment charges and a reduction of $7 million for a supply agreement termination charge.

*Net Financial Expenses.* Net financial expenses increased by $712 million, or 104%, to $1,398 million for the year ended December 31, 2011 compared to $686 million for the year ended December 31, 2010. The increase was largely related to an increase in interest expense of $609 million due to increases in the principal amount of the RGHL Group s fixed and floating rate borrowings of $4,843 million and $464 million, respectively, as of December 31, 2011 compared to December 31, 2010. Interest rate changes on the floating rate borrowings had no significant impact on net financial expenses for the year ended December 31, 2011. Our total borrowings (net of original issue discount, unamortized debt issuance costs and embedded derivatives) as of December 31, 2011 were $17,146 million compared to $11,842 million as of December 30, 2010. The increase in net financial expenses for the period also included a $64 million increase in the unrealized net loss from the change in fair values of derivatives and increases of $92 million and $36 million in the amortization of debt issuance costs and original issue discounts, respectively, primarily related to the write off of costs related to the Original Senior Secured Credit Facilities that were extinguished. These were partially offset by a $30 million

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decrease in fees associated with the RGHL Group s debt commitment letters and a $48 million decrease in foreign exchange loss resulting from borrowings denominated in currencies other than the functional currency of the borrowers or issuers.

We are primarily exposed to foreign exchange risk that impacts the reported financial income or financial expenses of the RGHL Group as a result of the remeasurement at each balance sheet date of indebtedness that is denominated in currencies other than the functional currencies of the respective issuers or borrowers. As of December 31, 2011 and 2010, the RGHL Group had dollar-denominated external borrowings of $1,583 million held by entities whose functional currency was the euro. As a result of the changes in the prevailing foreign exchange rates, the RGHL Group recognized a foreign exchange loss in connection with such borrowings during both of the years ended December 31, 2011 and 2010. For more information regarding the RGHL Group s financial expenses and borrowings, refer to notes 12 and 25, respectively, of the RGHL Group s audited financial statements, included elsewhere in this prospectus. For more information regarding the sensitivity of the foreign exchange gains and losses on the borrowings, refer to Qualitative and Quantitative Disclosure about Market Risk Foreign Currency Exchange Rate Risk.

*Income Tax Expense.* For the year ended December 31, 2011, we recognized an income tax benefit of $56 million on a loss before income tax of $473 million compared to an income tax expense of $78 million on a loss before income tax of $19 million for the year ended December 31, 2010. The effective tax rate of 12% for the year ended December 31, 2011 differs from the statutory New Zealand rate of 28% primarily due to the impact of non-deductible expenses and permanent differences. For a reconciliation of the effective tax rate, refer to note 13 of the RGHL Group s audited financial statements, included elsewhere in this prospectus.

*Depreciation and Amortization.* Depreciation of property, plant and equipment and investment properties and amortization of intangible assets increased by $468 million, or 93%, to $972 million for the year ended December 31, 2011 compared to $504 million for the year ended December 31, 2010, primarily due to additional depreciation and amortization expense from the Pactiv Acquisition, the Dopaco Acquisition and the Graham Packaging Acquisition.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $925 million, $1,897 million and $2,124 million, respectively, compared to $667 million, $1,171 million and $1,251 million, respectively, for the year ended December 31, 2010.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the RGHL Group is as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| | 2011(1) | 2010(2) |
| | (In $ million) | |
| **Profit from operating activities** | **925** | **667** |
| Depreciation and amortization | 972 | 504 |
| **EBITDA(3)** | **1,897** | **1,171** |
| ***Included in the RGHL Group EBITDA:*** | | |
| Adjustment related to settlement of a lease obligation | | (2) |
| Asset impairment charges | 12 | 28 |
| Black Liquor Credit | | (10) |
| Business acquisition and integration costs | 85 | 12 |
| Business interruption costs | 2 | 2 |
| Change in control payment | 12 | |
| CSI Americas gain on acquisition | | (10) |
| Gain on modification of retiree medical plan benefits | (25) | |
| Equity method profit not distributed in cash | (10) | (14) |
| Gain on sale of businesses and investment properties | (5) | (16) |
| Impact of purchase price accounting on inventories and leases | 32 | 63 |
| Non-cash pension income | (42) | (5) |
| Non-cash inventory charge | 3 | |
| Operational process engineering-related consultancy costs | 42 | 8 |
| Related party management fees | | 1 |
| Restructuring costs | 88 | 9 |
| SEC registration costs | 6 | |
| Termination of supply agreement | | 7 |
| Unrealized (gain) loss on derivatives | 26 | (3) |
| VAT and custom duties on historical imports | 1 | 10 |
| **RGHL Group Adjusted EBITDA(3)** | **2,124** | **1,251** |
| **Segment detail of Adjusted EBITDA:** | | |
| SIG | 483 | 513 |
| Evergreen | 217 | 196 |
| Closures | 195 | 170 |
| Reynolds Consumer Products | 556 | 299 |
| Pactiv Foodservice | 549 | 81 |
| Graham Packaging | 156 | |
| Corporate/unallocated | (32) | (8) |
| **RGHL Group Adjusted EBITDA(3)** | **2,124** | **1,251** |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the full year ended December 31, 2011.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010. The results of Graham Packaging and Dopaco are not included as those businesses were acquired on September 8, 2011 and May 2, 2011, respectively.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

*SIG Segment*

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | % of Segment Revenue | 2010 | % of Segment Revenue | Change | % Change |
| | (In $ million, except for %) | | | | | |
| Segment revenue | 2,036 | 100% | 1,846 | 100% | 190 | 10% |
| Cost of sales | (1,597) | (78)% | (1,382) | (75)% | (215) | 16% |
| Gross profit | 439 | 22% | 464 | 25% | (25) | (5)% |
| Selling, marketing and distribution expense/General and administration expense | (260) | (13)% | (235) | (13)% | (25) | 11% |
| Net other income | 26 | 1% | 22 | 1% | 4 | 18% |
| Profit from operating activities | 220 | 11% | 267 | 14% | (47) | (18)% |
| SIG segment EBITDA | 480 | 24% | 510 | 28% | (30) | (6)% |
| SIG segment Adjusted EBITDA | 483 | 24% | 513 | 28% | (30) | (6)% |

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*Revenue.* Revenue increased by $190 million, or 10%, to $2,036 million for the year ended December 31, 2011 compared to $1,846 million for the year ended December 31, 2010. As discussed in more detail below, the increase in revenue was attributable to higher sales volume of $178 million largely from sales in China, Brazil, South Asia and the Middle East, incremental revenue of $26 million generated from the operations of the Whakatane paper mill, which was acquired in May 2010, and a favorable foreign currency impact of $85 million largely due to the strengthening of the euro against the dollar. These increases were partially offset by $99 million of lower average sales prices from the growing market for smaller sleeve formats, particularly in China, increasing regional competition with the entry of new manufacturers in the aseptic packaging market and higher volume driven rebates.

Revenue in Europe increased by $52 million, or 5%, to $1,141 million for the year ended December 31, 2011 compared to $1,089 million for the year ended December 31, 2010 primarily driven by a favorable foreign currency impact of $50 million due to the strengthening of the euro against the dollar.

Revenue in the rest of the world increased by $138 million, or 18%, to $895 million for the year ended December 31, 2011 compared to $757 million for the year ended December 31, 2010. The increase was primarily related to higher volumes due to market growth in China and gains in market share in Brazil, South Asia and the Middle East as well as incremental revenue generated from the operations of the Whakatane paper mill that was acquired in May 2010. As a result of increased demand for aseptic packaging products, we expanded our plant in China and constructed a new plant in Brazil. Despite volume growth, revenue was negatively impacted by lower pricing in Asia, mainly China, due to the growing market for smaller sleeve cartons, increasing regional competition with the entry of new manufacturers in the aseptic packaging market and higher volume driven rebates. In addition, revenue increased by $35 million due to favorable foreign currency impacts, largely due to the strengthening of the Chinese yuan renminbi, Brazilian real, Thai baht and New Zealand dollar against the dollar.

*Cost of Sales.* Cost of sales increased by $215 million, or 16%, to $1,597 million for the year ended December 31, 2011 compared to $1,382 million for the year ended December 31, 2010. The increase in cost of sales was mainly attributable to an increase of $82 million of higher sales volume and an increase of $73 million in raw material costs, primarily resin and aluminum. For the years ended December 31, 2011 and 2010, raw material costs accounted for 65% and 63% of SIG s cost of sales, respectively. Unfavorable foreign currency impacts due to the strengthening of the euro against the dollar also increased cost of sales by $60 million.

*Gross Profit.* Gross profit decreased by $25 million, or 5%, to $439 million for the year ended December 31, 2011 compared to $464 million for the year ended December 31, 2010 and gross profit margin decreased to 22% for the year ended December 31, 2011 compared to 25% for the year ended December 31, 2010. The decrease in gross profit and gross profit margin is primarily due to the increase in raw material costs, mainly resin and aluminum, which SIG has not been able to pass through to its customers. The increase in raw material costs accounted for approximately 4 percentage points of the gross profit margin decline.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $25 million, or 11%, to $260 million for the year ended December 31, 2011 compared to $235 million for the year ended December 31, 2010. The increase is primarily due to unfavorable foreign currency impact of $13 million primarily related to the strengthening of the euro against the dollar. The remaining increase is mainly a result of market expansion in China and Brazil.

*Net Other.* Net other income increased by $4 million to $26 million for the year ended December 31, 2011 compared to $22 million for the year ended December 31, 2010. The increase is mainly due to a $9 million decline in restructuring expenses related to redundancy and consulting costs.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $220 million, $480 million and $483 million, respectively, compared to $267 million, $510 million and $513 million, respectively, for the year ended December 31, 2010.

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*EBITDA/Adjusted EBITDA Reconciliation*

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the SIG segment is as follows:

| | For the Year Ended December 31, 2011 | 2010 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **220** | **267** |
| Depreciation and amortization | 260 | 243 |
| **EBITDA** | **480** | **510** |
| **Included in SIG segment EBITDA:** | | |
| Asset impairment charges (reversals) | 4 | (1) |
| Business interruption costs | 2 | |
| Equity method profit not distributed in cash | (8) | (11) |
| Gain on sale of businesses and investment properties | | (6) |
| Restructuring costs | 2 | 11 |
| Unrealized loss on derivatives | 2 | |
| VAT and custom duties on historical imports | 1 | 10 |
| **SIG segment Adjusted EBITDA** | **483** | **513** |

*Evergreen Segment*

| | For the Year Ended December 31, 2011 | % of Segment Revenue | 2010 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,603 | 100% | 1,583 | 100% | 20 | 1% |
| Cost of sales | (1,379) | (86)% | (1,374) | (87)% | (5) | % |
| Gross profit | 224 | 14% | 209 | 13% | 15 | 7% |
| Selling, marketing and distribution expense/General and administration expense | (102) | (6)% | (94) | (6)% | (8) | 9% |
| Net other income | 33 | 2% | 27 | 2% | 6 | 22% |
| Profit from operating activities | 157 | 10% | 144 | 9% | 13 | 9% |
| Evergreen segment EBITDA | 217 | 14% | 206 | 13% | 11 | 5% |
| Evergreen segment Adjusted EBITDA | 217 | 14% | 196 | 12% | 21 | 11% |

*Revenue.* Revenue increased by $20 million, or 1%, to $1,603 million for the year ended December 31, 2011 compared to $1,583 million for the year ended December 31, 2010. This increase was largely attributable to a $25 million increase in external sales of liquid packaging board and an increase of $20 million in sales of cartons, partially offset by a decrease of $25 million in sales of paper products. The increase in sales of liquid packaging board is due to higher sales prices of $32 million as a result of the pass-through of raw material price fluctuations to customers, partially offset by an impact of $7 million attributable to lower sales volumes. The increase in sales of cartons is due to $32 million in higher prices as a result of the pass-through of raw material cost increases to customers partially offset by an impact of $12 million attributable to lower sales volumes. The decline in sales of paper products is comprised of a decrease of $43 million due to lower sales volumes attributable to lower demand in the market, which was offset by an increase of $18 million as pricing improved in the current period.

*Cost of Sales.* Cost of sales increased by $5 million to $1,379 million for the year ended December 31, 2011 compared to $1,374 million for the year ended December 31, 2010. This increase in cost of sales is mainly attributable to the recognition of $10 million of Black Liquor Credit for the year ended December 31, 2010. No Black Liquor Credit was recognized for the year ended December 31, 2011. For further information on Black Liquor Credit, see Key Factors Influencing Our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Excluding the impact of Black Liquor Credit, cost of sales would have decreased by $5 million to $1,379 million for the year ended December 31, 2011 compared to $1,384 million for the year ended December 31, 2010. This decrease in cost of sales was mainly due to a $73 million decrease related to lower sales volume in liquid packaging board, paper products, and cartons partially offset by a $68 million increase in raw material costs, primarily resin, and other input costs, primarily specialty chemicals. For the years ended December 31, 2011 and 2010, raw material costs accounted for 44% and 41% of Evergreen s cost of sales, respectively.

*Gross Profit.* Gross profit increased by $15 million, or 7%, to $224 million for the year ended December 31, 2011 compared to $209 million for the year ended December 31, 2010. Excluding the impact of Black Liquor Credit, gross profit would have increased by $25 million, or 13%, to $224 million for the year ended December 31, 2011 compared to $199 million for the year ended December 31, 2010. Gross profit margin increased to 14% for the year ended December 31, 2011 compared to 13% for the year ended December 31, 2010. The increase in gross profit and gross profit margin was largely due to higher sales prices and productivity efficiencies, partially offset by higher costs for raw materials and other input costs as a result of the lag time between the purchase of raw materials by Evergreen and the pass-through of raw material price fluctuations to certain of its customers.

Evergreen s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including wood fiber, resin, commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal. Evergreen purchases most of its raw materials and other input costs on the spot market and generally cannot immediately pass through price increases or declines to certain of its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Evergreen s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $8 million, or 9%, to $102 million for the year ended December 31, 2011 compared to $94 million for the year ended December 31, 2010, due to $4 million of increased spending on marketing and new product development and $4 million of higher compensation costs, primarily as additional positions were filled.

*Net Other.* Net other income increased by $6 million, or 22%, to $33 million for the year ended December 31, 2011 compared to $27 million for the year ended December 31, 2010, primarily due to increases in by-product sales of $4 million and landfill tipping fees of $5 million earned in 2011.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $157 million, $217 million and $217 million, respectively, compared to $144 million, $206 million and $196 million, respectively, for the year ended December 31, 2010.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Evergreen segment is as follows:

| | For the Year Ended December 31, 2011 | 2010 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **157** | **144** |
| Depreciation and amortization | 60 | 62 |
| **EBITDA** | **217** | **206** |
| **Included in Evergreen segment EBITDA:** | | |
| Black Liquor Credit | | (10) |
| Business acquisition costs | | 1 |
| Equity method profit not distributed in cash | (2) | (3) |
| Gain on sale of businesses and investment properties | | (2) |
| Operational process engineering-related consultancy costs | | 2 |
| Related party management fees | | 1 |
| Unrealized loss on derivatives | 2 | 1 |
| **Evergreen segment Adjusted EBITDA** | **217** | **196** |

*Closures Segment*

| | For the Year Ended December 31, 2011 | % of Segment Revenue | 2010 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,329 | 100% | 1,174 | 100% | 155 | 13% |
| Cost of sales | (1,122) | (84)% | (989) | (84)% | (133) | 13% |
| Gross profit | 207 | 16% | 185 | 16% | 22 | 12% |
| Selling, marketing and distribution expense/General and administration expense | (95) | (7)% | (96) | (8)% | 1 | (1)% |
| Net other income (expense) | (2) | % | 7 | 1% | (9) | NM |
| Profit from operating activities | 110 | 8% | 96 | 8% | 14 | 15% |
| Closures segment EBITDA | 191 | 14% | 175 | 15% | 16 | 9% |
| Closures segment Adjusted EBITDA | 195 | 15% | 170 | 14% | 25 | 15% |

*Revenue.* Revenue increased by $155 million, or 13%, to $1,329 million for the year ended December 31, 2011 compared to $1,174 million for the year ended December 31, 2010. As discussed in more detail below, $84 million of this increase in revenue was due to increased sales volumes, primarily attributable to market share growth in North America and China and in Japan following the recovery from the natural disaster in March 2011. Favorable foreign currency impact also increased revenue by $43 million, primarily due to the strengthening of the Japanese yen, Mexican peso, euro and Brazilian real against the dollar.

Closures revenue is also impacted by changes in product mix and pricing related to the pass-through of resin price increases to customers. Within its beverage caps and closures market, Closures sells both short-height and traditional standard-height one-piece and two-piece plastic closures. Prices are generally lower on the short-height closure compared to the traditional standard-height closure, therefore product mix in the period directly impacts revenue. In addition, contractual price adjustments with customers do not occur simultaneously with

actual resin purchase price fluctuations, but rather on a monthly, quarterly, semi-annual or other basis. Therefore, due to the differences in timing between Closures purchase of resin from its suppliers and sales of closures to its customers, pricing related to the pass-through of resin price fluctuations to customers also directly impacts revenue. The net increase in revenue as a result of changes in product mix, and pricing related to the pass-through of resin price increases to customers, was $28 million.

Revenue from North America increased by $92 million, or 20%, to $555 million for the year ended December 31, 2011 compared to $463 million for the year ended December 31, 2010. Higher sales volumes, primarily due to growth in market share, contributed $60 million to the increase in revenue. The growth in market share was primarily due to the CSI Americas acquisition in February 2010, additional market share gained from existing competitors and new product expansion. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $28 million. Favorable foreign currency impact also increased revenue by $4 million, primarily due to the strengthening of the Mexican peso against the dollar.

Revenue from the rest of the world increased by $63 million, or 9%, to $774 million for the year ended December 31, 2011 compared to $711 million for the year ended December 31, 2010. Higher sales volume, primarily due to growth in market share in China and market penetration in Japan following the recovery from the natural disaster in March 2011, contributed $19 million to the increase in revenue. Favorable foreign currency impact also contributed $39 million to the increase in revenue, which was primarily due to the strengthening of the Japanese yen, euro and Brazilian real against the dollar. The net increase in revenue as a result of changes in product mix, and pricing related to the pass-through of resin price increases to customers, was $5 million.

*Cost of Sales.* Cost of sales increased by $133 million, or 13%, to $1,122 million for the year ended December 31, 2011 compared to $989 million for the year ended December 31, 2010. Increased sales volume, as discussed above, resulted in an increase of $67 million in cost of sales. In addition, unfavorable foreign currency impact, primarily due to the strengthening of the Japanese yen, Mexican peso, euro, and Brazilian real against the dollar, increased cost of sales by $38 million. Closures cost of sales is also impacted by changes in product mix and raw material costs. Gross raw materials costs, primarily resin, increased by $107 million for the year ended December 31, 2011 compared to the year ended December 31, 2010, a significant portion of which was passed through to Closures customers as discussed above. The net increase in cost of sales as a result of changes in product mix and raw material costs was $30 million. For the years ended December 31, 2011 and 2010, raw material costs accounted for 61% and 59% of Closures cost of sales, respectively.

*Gross Profit.* Gross profit increased by $22 million, or 12%, to $207 million for the year ended December 31, 2011 compared to $185 million for the year ended December 31, 2010 and gross profit margin remained flat at 16%.

Higher sales volumes, primarily due to growth in market share, increased gross profit by $17 million. In addition, favorable foreign currency impact also increased gross profit by $5 million primarily due to the strengthening of the Japanese yen, Mexican peso, euro and Brazilian real against the dollar. These increases were partially offset by the impact of increased raw material costs and the lag in the pass-through of resin price increases to customers as discussed above.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses slightly decreased to $95 million for the year ended December 31, 2011 compared to $96 million for the year ended December 31, 2010.

*Net Other.* Other expenses increased by $9 million to $2 million compared to other income of $7 million for the year ended December 31, 2010. The increase is mainly attributable to a $10 million gain on acquisition from the purchase of CSI Americas in February 2010, a $2 million increase in restructuring costs related to Closures business in Germany and the consolidation of one plant in North America, offset by a $5 million gain on sale of one of Closures businesses in Europe. These items have been included in the segment s Adjusted EBITDA calculation.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were

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$110 million, $191 million and $195 million, respectively, compared to $96 million, $175 million and $170 million, respectively, for the year ended December 31, 2010.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Closures segment is as follows:

| | For the Year Ended December 31, 2011 | 2010 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **110** | **96** |
| Depreciation and amortization | 81 | 79 |
| **EBITDA** | **191** | **175** |
| **Included in Closures segment EBITDA:** | | |
| Asset impairment charges | 1 | |
| Business acquisition costs | | 1 |
| Business interruption costs | 1 | 2 |
| CSI Americas gain on acquisition | | (10) |
| Gain on sale of business | (5) | |
| Restructuring costs | 5 | 3 |
| Unrealized (gain) loss on derivatives | 2 | (1) |
| **Closures segment Adjusted EBITDA** | **195** | **170** |

*Reynolds Consumer Products Segment*

| | For the Year ended December 31, 2011 | % of Segment Revenue | 2010 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | | | (In $ million, except for %) | | | |
| Segment revenue | 2,559 | 100% | 1,378 | 100% | 1,181 | 86% |
| Cost of sales | (1,948) | (76)% | (1,051) | (76)% | (897) | 85% |
| Gross profit | 611 | 24% | 327 | 24% | 284 | 87% |
| Selling, marketing and distribution expense/General and administration expense | (215) | (8)% | (116) | (8)% | (99) | 85% |
| Net other income (expense) | (43) | (2)% | 3 | % | (46) | NM |
| Profit from operating activities | 353 | 14% | 214 | 16% | 139 | 65% |
| Reynolds Consumer Products segment EBITDA | 503 | 20% | 276 | 20% | 227 | 82% |
| Reynolds Consumer Products segment Adjusted EBITDA | 556 | 22% | 299 | 22% | 257 | 86% |

We acquired Pactiv on November 16, 2010. The operating results of the Hefty consumer products business have been combined with the operating results of the Reynolds consumer products business since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within the Reynolds Consumer Products segment, other than revenue, we are unable to quantify the results of the Hefty consumer products business on a stand-alone basis for the year ended December 31, 2011. However, we have in a number of instances provided the results of Pactiv s Hefty consumer products business for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on

the results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for the Hefty consumer products business were $1,162 million, $823 million, $141 million, $198 million, $253 million and $264 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011 the legacy Hefty consumer products revenue was $1,177 million.

The following discussion of our Reynolds Consumer Products operating results provides comparisons of our reported results for the periods ended December 31, 2011 and December 31, 2010 as well as comparisons on a supplemental pro forma basis as if the pre-acquisition operating results of the Hefty consumer products business had been included in the operating results of the Reynolds Consumer Products segment for the twelve months ended December 31, 2010. We acquired the Hefty consumer products business in November 2010. Given the relative size and timing of this acquisition, we believe a discussion of the results on a supplemental pro forma basis provides a reasonable comparison of the operating results for the periods presented. This comparison assists in understanding the current period segment results, including the underlying factors affecting the results of operations, the changes in these factors that occurred in 2011 compared to 2010 and the impact of our integration activities. The supplemental pro forma amounts were derived from Pactiv s historical results that were previously reported under U.S. GAAP as adjusted for IFRS. The Hefty consumer products pre-acquisition historical operating results have not been adjusted for the pro forma purchase accounting effects of our acquisition of the Hefty consumer products business.

This supplemental pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations that we would have reported had the Pactiv Acquisition been completed on January 1, 2010 and should not be taken as being indicative of our future results of operations.

The discussions below also include references to actual cost saving synergies that have been achieved during the period ended December 31, 2011 as a result of integrating the Hefty consumer products business into the Reynolds Consumer Products segment. These actual benefits realized resulted from a combination of cost savings, including procurement, distribution efficiencies and integration of the sales force and various administration functions across the combined segment. The benefits are measured based on clear and quantifiable measures, such as observable reductions in fixed overhead costs, the elimination of distribution costs and the elimination of salaries and benefits related to headcount reductions across the segment.

*Revenue.* Revenue increased by $1,181 million, or 86%, to $2,559 million for the year ended December 31, 2011 compared to $1,378 million for the year ended December 31, 2010. This increase was largely attributable to revenue from the Hefty consumer products business that was acquired as part of the Pactiv Acquisition in November 2010.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that revenue would have increased by $19 million, or 1%, to $2,559 million for the year ended December 31, 2011. The increase in revenue would have been attributable to price increases across all product groups due to rising raw material costs that would have been partially offset by volume declines in our tableware and cooking product lines due to lower market demand.

*Cost of Sales.* Cost of sales increased by $897 million, or 85%, to $1,948 million for the year ended December 31, 2011 compared to $1,051 million for the year ended December 31, 2010. The increase in cost of sales is attributable to the Hefty consumer products business which was acquired as part of the Pactiv Acquisition, including increased depreciation expense of $61 million.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that cost of sales would have increased by $74 million to $1,948 million for the year ended December 31, 2011. This increase would have been largely attributable to increased raw material costs of approximately $140 million, primarily related to resin and aluminum. The increase in raw material costs would have been partially offset by actual synergies resulting from the Pactiv Acquisition and productivity efficiencies.

Reynolds Consumer Products experienced increases in raw material costs. For the years ended December 31, 2011 and 2010, raw material costs accounted for 63% and 58% of Reynolds Consumer Products cost of sales, respectively.

*Gross Profit.* Gross profit increased by $284 million, or 87%, to $611 million for the year ended December 31, 2011 compared to $327 million for the year ended December 31, 2010, while gross profit margin remained flat at 24%. For the period from January 1, 2010 to November 16, 2010, the gross profit of the Hefty consumer products business was $339 million.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that gross profit would have decreased by $55 million to $611 million and gross profit margin would have decreased to 24% compared to 26% for the year ended December 31, 2010. The decrease in the gross profit margin would have been primarily due to the increase in raw material costs, mainly resin and aluminum, that Reynolds Consumer Products had not been able to fully pass through to its customers partially offset by benefits from actual synergies resulting from the Pactiv Acquisition.

Reynolds Consumer Products gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Reynolds Consumer Products generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. For most resin based products, there is a lag time between the purchase of raw materials by Reynolds Consumer Products and the pass through of raw material price fluctuations to customers. For aluminum based products, contracts with customers do not contain contractual price protection for raw material cost fluctuations. Due to the differences in timing between Reynolds Consumer Products purchases of resin from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising resin prices and positively impacted in periods of falling resin prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $99 million, or 85%, to $215 million for the year ended December 31, 2011 compared to $116 million for the year ended December 31, 2010. This increase was primarily attributable to the Hefty consumer products business.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have decreased by $42 million to $215 million for the year ended December 31, 2011. The decrease in selling, marketing and distribution expenses and general and administration expenses would have been attributable to decreased advertising spending and benefits from the actual synergies realized as part of the integration of the Hefty consumer products business into the Reynolds Consumer Products segment.

*Net Other.* Net other expense was $43 million for the year ended December 31, 2011 compared to net other income of $3 million for the year ended December 31, 2010. The change is mainly attributable to an increase of $19 million of net unrealized losses on open hedge positions, an increase of $15 million in restructuring costs related to severance and an increase of $11 million in operational process engineering-related consultancy costs. These items have been included in the segment s Adjusted EBITDA calculation. As discussed in more detail in Key Factors Influencing our Financial Condition and Results of Operations, we expect to incur additional costs of this type in 2012.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $353 million, $503 million and $556 million, respectively, compared to $214 million, $276 million and $299 million, respectively, for the year ended December 31, 2010. If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that Adjusted EBITDA for the year ended December 31, 2010 would have been $563 million.

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*EBITDA/Adjusted EBITDA Reconciliation*

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Reynolds Consumer Products segment is as follows:

| | For the Year Ended December 31, 2011 | 2010 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **353** | **214** |
| Depreciation and amortization | 150 | 62 |
| **EBITDA** | **503** | **276** |
| **Included in Reynolds Consumer Products segment EBITDA:** | | |
| Adjustment related to settlement of a lease obligation | | (2) |
| Business acquisition and integration costs | 5 | |
| Business interruption recoveries | (1) | |
| Impact of purchase price accounting on inventories and leases | | 25 |
| Non-cash pension expense | 3 | |
| Non-cash inventory charge | 1 | |
| Operational process engineering-related consultancy costs | 17 | 6 |
| Restructuring costs (recoveries) | 11 | (4) |
| Unrealized (gain) loss on derivatives | 17 | (2) |
| **Reynolds Consumer Products segment Adjusted EBITDA** | **556** | **299** |

*Pactiv Foodservice Segment*

| | For the Year Ended December 31, 2011 | % of Segment Revenue | 2010 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 3,448 | 100% | 924 | 100% | 2,524 | 273% |
| Cost of sales | (2,924) | (85)% | (859) | (93)% | (2,065) | 240% |
| Gross profit | 524 | 15% | 65 | 7% | 459 | 706% |
| Selling, marketing and distribution expense/General and administration expense | (278) | (8)% | (80) | (9)% | (198) | 248% |
| Net other expense | (124) | (4)% | (26) | (3)% | (98) | 377% |
| Profit (loss) from operating activities | 122 | 4% | (41) | (4)% | 163 | NM |
| Pactiv Foodservice segment EBITDA | 414 | 12% | 17 | 2% | 397 | NM |
| Pactiv Foodservice segment Adjusted EBITDA | 549 | 16% | 81 | 9% | 468 | 578% |

We acquired Pactiv on November 16, 2010. The operating results of the Pactiv foodservice packaging business have been combined with the operating results of the Reynolds foodservice packaging business since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within the Pactiv Foodservice segment, other than revenue, we are unable to quantify the results of the Pactiv foodservice packaging business on a stand-alone basis for the year ended December 31, 2011. However, we have in a number of instances provided the results of the Pactiv foodservice packaging business for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on the results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and

administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for the Pactiv foodservice packaging business were $2,036 million, $1,640 million, $215 million, $153 million, $261 million and $315 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011 the legacy Pactiv foodservice product revenue was $2,317 million.

The following discussion of our Pactiv Foodservice operating results provides comparisons of our reported results for the periods ended December 31, 2011 and December 31, 2010 as well as comparisons on a supplemental pro forma basis as if the pre-acquisition operating results of the Pactiv foodservice packaging business had been included in the operating results of the Pactiv Foodservice segment for the twelve months ended December 31, 2010. We acquired the Pactiv foodservice packaging business in November 2010. Given the relative size and timing of this acquisition, we believe a discussion of the results on a supplemental pro forma basis provides a reasonable comparison of the operating results for the periods presented. This comparison assists in understanding the current period segment results including the underlying factors affecting the results of operations, the changes in these factors that occurred in 2011 compared to 2010 and the impact of our integration activities. The supplemental pro forma amounts were derived from Pactiv s historical results that were previously reported under U.S. GAAP as adjusted for IFRS. The Pactiv foodservice packaging business pre-acquisition historical operating results have not been adjusted for the pro forma purchase accounting effects of our acquisition of the Pactiv foodservice packaging business.

This supplemental pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations that we would have reported had the Pactiv Acquisition been completed on January 1, 2010 and should not be taken as being indicative of our future results of operations.

The discussions below also include references to actual cost saving synergies that have been achieved during the period ended December 31, 2011 as a result of integrating the Pactiv foodservice packaging business into the Pactiv Foodservice segment. These actual benefits realized resulted from a combination of cost savings, including procurement, distribution efficiencies, plant rationalization and integration of the sales force and various administration functions across the combined segment. The benefits are measured based on clear and quantifiable measures, such as observable reductions in fixed overhead costs, the elimination of costs specific to production facilities that have been closed and the elimination of salaries and benefits related to headcount reductions across the segment.

We acquired Dopaco on May 2, 2011. The operating results of Dopaco have been included in the Pactiv Foodservice segment since the date of the Dopaco Acquisition. For the period from May 2, 2011 to December 31, 2011, Dopaco s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA were $331 million, $300 million, $9 million, $10 million, $28 million and $45 million, respectively.

*Revenue.* Revenue increased by $2,524 million, or 273%, to $3,448 million for the year ended December 31, 2011 compared to $924 million for the year ended December 31, 2010. This increase was attributable to the revenue from foam, tableware, and specialty products generated from the operations of the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010. Prior to this acquisition, none of these products were offered by the Reynolds foodservice packaging business. Clear plastics, paper and aluminum product offerings were also significantly expanded as a result of the Pactiv Acquisition.

If the results of the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that revenue would have increased by $488 million, or 16%, to $3,448 million for the year ended December 31, 2011. This revenue increase would have been attributable to incremental revenue of $331 million generated from the operations of Dopaco, incremental revenue of $34 million related to the integration of a clear plastic business acquired by Pactiv in April 2010, and a $296 million impact from improved pricing primarily due to the pass-through of resin purchase price increases. These increases were partially offset by declines of $128 million due to lower volumes primarily as a result of exiting non-strategic product lines and $39 million due to the transfer of certain operations to our Reynolds Consumer Products segment on January 1, 2011.

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*Cost of Sales.* Cost of sales increased by $2,065 million, or 240%, to $2,924 million for the year ended December 31, 2011 compared to $859 million for the year ended December 31, 2010. The increase is primarily attributable to the cost of sales incurred by the Pactiv foodservice packaging business and the Dopaco business which was acquired as part of the Pactiv Acquisition and the Dopaco Acquisition, respectively, including increased depreciation expense of $164 million as a result of property, plant and equipment acquired at fair value.

Pactiv Foodservice experienced increases in the purchase price of raw materials, primarily resin, aluminum and paper, for the year ended December 31, 2011 compared to the year ended December 31, 2010. Raw material costs accounted for 63% and 61% of Pactiv Foodservice s cost of sales, respectively, for those periods. Raw material costs for the year ended December 31, 2011 increased by $1,317 million compared to the year ended December 31, 2010, primarily due to the incremental volume attributable to the Pactiv Acquisition and the Dopaco Acquisition, partially offset by benefits from actual synergies realized from these acquisitions.

If the results of the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that cost of sales would have increased by $425 million, or 17%, to $2,924 million for the year ended December 31, 2011. This cost of sales increase would have been attributable to incremental cost of sales of $300 million incurred by Dopaco, incremental cost of sales of $30 million related to the integration of a clear plastic business acquired by Pactiv in April 2010 and the remaining increase would have been primarily attributable to the impact of higher raw material costs.

*Gross Profit.* Gross profit increased by $459 million, or 706%, to $524 million for the year ended December 31, 2011 compared to $65 million for the year ended December 31, 2010 and gross profit margin increased to 15% for the year ended December 31, 2011 compared to 7% for the year ended December 31, 2010, which reflects the impact of the Pactiv foodservice packaging business acquired in the Pactiv Acquisition.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate the gross profit margin would have declined slightly to 15% for the year ended December 31, 2011 compared to 16% for the year ended December 31, 2010 primarily due to the increase in depreciation expense as a result of property, plant and equipment acquired at fair value as discussed above, offset by actual synergies realized, productivity efficiencies and improved net pricing.

Pactiv Foodservice s gross profit has been, and will continue to be, impacted by changes in the costs of raw materials, including resin, aluminum and paper. Pactiv Foodservice generally cannot immediately pass through price increases or declines to its customers because the price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Pactiv Foodservice s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $198 million, or 248%, to $278 million for the year ended December 31, 2011 compared to $80 million for the year ended December 31, 2010, primarily due to expenses attributable to the Pactiv foodservice packaging business.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have decreased by $17 million to $278 million for the year ended December 31, 2011 compared to the year ended December 31, 2010. The decrease in selling, marketing and distribution expenses and general and administration expenses would have been largely attributable to benefits from both actual synergies realized and cost saving initiatives partially offset by increased intangible asset amortization expense incurred during the year ended December 31, 2011, resulting from the Pactiv Acquisition.

*Net Other.* Net other expenses increased by $98 million to $124 million for the year ended December 31, 2011 compared to $26 million for the year ended December 31, 2010. The increase is mainly attributable to an increase of $49 million in restructuring costs primarily related to severance, business acquisition and integration costs of $45 million, a charge of $21 million related to operational process engineering-related consultancy costs,

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a decrease of $8 million from a gain on sale of businesses and an increase of $4 million in unrealized losses on open hedge positions. These increases to net other expenses were partially offset by a reduction of $22 million in asset impairment charges and a reduction of $7 million on a supply termination charge. These items have been included in the segment s Adjusted EBITDA calculation.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $122 million, $414 million and $549 million, respectively, compared to loss from operating activities, EBITDA and Adjusted EBITDA of $41 million, $17 million and $81 million, respectively, for the year ended December 31, 2010.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that Adjusted EBITDA for the year ended December 31, 2010 would have been $396 million.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit (loss) from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Pactiv Foodservice segment is as follows:

| | For the year ended December 31, | |
|---|---|---|
| | 2011 | 2010 |
| | (In $ million) | |
| **Profit (loss) from operating activities** | **122** | **(41)** |
| Depreciation and amortization | 292 | 58 |
| **EBITDA** | **414** | **17** |
| **Included in Pactiv Foodservice segment EBITDA:** | | |
| Asset impairment charges | 7 | 29 |
| Business acquisition and integration costs | 45 | |
| Gain on sale of businesses and investment properties | | (8) |
| Impact of purchase price accounting on inventories and leases | 5 | 38 |
| Non-cash pension expense | 4 | |
| Non-cash inventory charge | 2 | |
| Operational process engineering-related consultancy costs | 21 | |
| Restructuring costs (recoveries) | 48 | (1) |
| Termination of supply agreement | | 7 |
| Unrealized (gain) loss on derivatives | 3 | (1) |
| **Pactiv Foodservice segment Adjusted EBITDA** | **549** | **81** |

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*Graham Packaging*

| (In $ million, except for %) | For the period ended December 31, 2011 | % of segment revenue |
|---|---|---|
| Segment revenue | $ 967 | 100% |
| Cost of sales | (905) | (94)% |
| Gross profit | 62 | 6% |
| Selling, marketing and distribution expense/General and administration expense | (72) | (7)% |
| Net other expense | (14) | (1)% |
| Loss from operating activities | (24) | (2)% |
| Graham Packaging segment EBITDA | 105 | 11% |
| Graham Packaging segment Adjusted EBITDA | 156 | 16% |

We acquired Graham Packaging on September 8, 2011. The operating results of Graham Packaging from September 8, 2011 to December 31, 2011 have been included in the RGHL Group s operating results for the year ended December 31, 2011 as a separate reporting segment. For the period from January 1, 2010 to December 31, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for Graham Packaging were $2,513 million, $2,077 million, $122 million, $235 million, $406 million and $505 million, respectively. For the period from January 1, 2011 to September 7, 2011, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, loss from operating activities, EBITDA and Adjusted EBITDA for Graham Packaging were $2,130 million, $1,817 million, $173 million, $99 million, $46 million and $388 million respectively. These amounts include IFRS adjustments to Graham Packaging s historical results that were previously reported under U.S. GAAP.

The following discussion of our Graham Packaging operating results provides comparisons on a supplemental pro forma basis as if the operating results of the Graham Packaging business had been included in our operating results for the periods ended December 31, 2011 and December 31, 2010. We acquired Graham Packaging in September 2011. Given the relative size and timing of this acquisition, we believe a discussion of the operating results on a supplemental pro forma basis provides a reasonable comparison of the operating results for the periods presented. This comparison assists in understanding the current period segment results including the underlying factors affecting the results of operations, the changes in these factors that occurred in 2011 compared to 2010 and the impact of our integration activities. The supplemental pro forma amounts were derived from Graham Packaging s historical operating results that were previously reported under U.S. GAAP as adjusted for IFRS. The Graham Packaging pre-acquisition historical operating results have not been adjusted for the pro forma purchase accounting effects of our acquisition of Graham Packaging.

This supplemental pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations that we would have reported had the Graham Packaging Acquisition been completed on January 1, 2010 and should not be taken as being indicative of our future results of operations.

*Revenue.* Revenue for the period from September 8, 2011 to December 31, 2011 was $967 million. On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that revenue would have increased by $584 million, or 23%, to $3,097 million for the year ended December 31, 2011. The increase in estimated revenue would have been attributable to $316 million generated from Graham Packaging s acquisitions, primarily from Liquid Container, as well as favorable changes in pricing related to the pass-through of resin price increases to customers. These increases, together with volume-related increases of $18 million and favorable currency impact of $19 million, would have been partially offset by net price reductions from operational cost savings shared with Graham Packaging s customers.

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*Cost of Sales.* Cost of sales for the period from September 8, 2011 to December 31, 2011 was $905 million. Cost of sales was negatively impacted by purchase price accounting adjustments of $27 million for inventories acquired as part of the Graham Packaging Acquisition. Graham Packaging has experienced increases in raw material costs primarily related to resin. For the period from September 8, 2011 to December 31, 2011, raw material costs accounted for 56% of Graham Packaging s cost of sales.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that cost of sales would have increased by $645 million, or 31%, to $2,722 million for the year ended December 31, 2011. The increase in estimated cost of sales would have been attributable to higher revenue as described above, an overall increase in raw material costs, primarily resin, and the impact of purchase price accounting adjustments of $27 million as noted above. For the years ended December 31, 2011 and 2010, raw material costs would have accounted for 59% and 66% of Graham Packaging s cost of sales, respectively.

*Gross Profit.* Gross profit for the period from September 8, 2011 to December 31, 2011 was $62 million and gross profit margin was 6%. Gross profit margin was negatively impacted by purchase price accounting adjustments on inventories as discussed above. Excluding the impact of the purchase price accounting adjustments on inventories, the gross profit margin would have been 9%.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that gross profit would have decreased by $61 million, or 14%, to $375 million for the year ended December 31, 2011, and gross margin would have decreased to 12% from 17%. The decrease in estimated gross profit and gross margin would have been attributable to the purchase price accounting adjustments of $27 million related to inventories as noted above and net price reductions, partially offset by contributions from higher revenues discussed above and productivity improvements. In addition to the impact of these factors, the gross profit margin would have decreased due to higher resin costs and additional depreciation and amortization related to the step-up on acquired fixed assets and identifiable intangible assets.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses*. Selling, marketing and distribution expenses and general and administration expenses for the period from September 8, 2011 to December 31, 2011 were $72 million. Included in selling, marketing and distribution expenses was a $12 million change in control payment related to the Graham Packaging Acquisition.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have increased by $123 million, or 101%, to $245 million for the year ended December 31, 2011. The increase in estimated selling, marketing and distribution expenses and general and administration expenses would have been primarily attributable to acquisition-related expenses of $103 million and an increase in amortization expense of $28 million related to the step-up in identifiable intangible assets as a result of acquisitions, partially offset by bonuses and other costs paid in connection with the initial public offering during the year ended December 31, 2010.

*Net Other.* Other expenses for the period from September 8, 2011 to December 31, 2011 were $14 million. Included in other expenses are business acquisition and integration costs of $9 million and restructuring costs of $3 million. These items have been included in the segment s Adjusted EBITDA calculation.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that net other expenses would have increased by $174 million, or 220%, to $253 million for the year ended December 31, 2011. The increase in estimated net other expenses would have been primarily attributable to the payment of $229 million for the termination of the income tax receivable agreements, partially offset by a fee of $35 million to affiliates of Blackstone and the Graham family to terminate a monitoring agreement.

*Loss from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, loss from operating activities, EBITDA and Adjusted EBITDA for the period from September 8, 2011 to December 31, 2011 were $24 million, $105 million and $156 million, respectively.

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On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 would have been $544 million and $505 million, respectively.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of loss from operating activities to EBITDA and Adjusted EBITDA for the period from September 8, 2011 to December 31, 2011 for the Graham Packaging segment is as follows:

| | For the period ended December 31, 2011 (In $ million) |
|---|---|
| **Loss from operating activities** | **(24)** |
| Depreciation and amortization | 129 |
| **EBITDA** | **105** |
| **Included in Graham Packaging segment EBITDA:** | |
| Business acquisition and integration costs | 9 |
| Change in control payments | 12 |
| Impact of purchase price accounting on inventories and leases | 27 |
| Restructuring costs | 3 |
| **Graham Packaging segment Adjusted EBITDA** | **156** |

***Year Ended December 31, 2010 Compared with the Year Ended December 31, 2009***

*Reynolds Group Holdings Limited*

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2010(1) | % of Revenue | 2009(2) | % of Revenue | Change | % Change |
| | (In $ million, except for %) | | | | | |
| **Revenue** | **6,774** | **100%** | **5,910** | **100%** | **864** | **15%** |
| Cost of sales | (5,524) | (82)% | (4,691) | (79)% | (833) | 18% |
| **Gross profit** | **1,250** | **18%** | **1,219** | **21%** | **31** | **3%** |
| Selling, marketing and distribution expenses/General and administration expenses | (623) | (9)% | (577) | (10)% | (46) | 8% |
| Other income | 22 | % | 105 | 2% | (83) | (79)% |
| Share of profit of associates and joint ventures, net of income tax | 18 | % | 11 | % | 7 | 64% |
| **Profit from operating activities** | **667** | **10%** | **758** | **13%** | **(91)** | **(12)%** |
| Financial income | 66 | 1% | 21 | % | 45 | 214% |
| Financial expenses | (752) | (11)% | (513) | (9)% | (239) | 47% |
| **Net financial expenses** | **(686)** | **(10)%** | **(492)** | **(8)%** | **(194)** | **39%** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Profit (loss) before income tax** | **(19)** | **%** | **266** | **5%** | **(285)** | **NM** |
| Income tax expense | (78) | (1)% | (149) | (3)% | 71 | (48)% |
| **Profit (loss) for the period** | **(97)** | **(1)%** | **117** | **2%** | **(214)** | **NM** |
| Depreciation and amortization | 504 | 7% | 502 | 8% | 2 | % |
| RGHL Group EBITDA(3) | 1,171 | 17% | 1,260 | 21% | (89) | (7)% |
| RGHL Group Adjusted EBITDA(3) | 1,251 | 18% | 1,130 | 19% | 121 | 11% |

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(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

As more fully described under the heading Overview Recent Acquisitions and Integration, we acquired Pactiv on November 16, 2010. The operating results of Pactiv have been included in our results and in the results of the Reynolds Consumer Products and Pactiv Foodservice segments since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, Pactiv s revenue, cost of sales, selling, marketing and distribution/general and administration expenses, loss from operating activities, EBITDA and Adjusted EBITDA were $481 million, $444 million, $48 million, $31 million, $10 million and $89 million, respectively. For further details on the Pactiv Acquisition, refer to note 33 of the RGHL Group s audited financial statements included elsewhere in this prospectus.

*Revenue.* Revenue increased by $864 million, or 15%, to $6,774 million for the year ended December 31, 2010 compared to $5,910 million for the year ended December 31, 2009. This increase was largely attributable to $481 million of incremental revenue generated from the operations of Pactiv, $82 million of incremental revenue generated from the Whakatane paper mill and $52 million of incremental revenue generated from CSI Americas, each of which was acquired in 2010.

All of our segments, other than Pactiv Foodservice, experienced increases in sales volume during 2010. Pactiv Foodservice experienced lower sales volume in 2010 due to its planned exits from non-strategic and lower margin products. Price increases also contributed to our increased revenue in 2010 and were primarily driven by the flow-through of higher resin prices to customers in our Closures and Pactiv Foodservice segments.

Revenue increases were partially offset by a net unfavorable foreign currency impact of $47 million primarily due to the weakening of the euro against the dollar, which had a $72 million unfavorable impact in the SIG segment and a $25 million favorable impact due to the strengthening of other currencies against the dollar in the Closures segment. For a detailed explanation of the variations in revenue for each of our segments, see the individual segment discussions below.

*Cost of Sales.* Cost of sales for the year ended December 31, 2010 increased by $833 million, or 18%, to $5,524 million for the year ended December 31, 2010 compared to $4,691 million for the year ended December 31, 2009. The increase in cost of sales is largely attributable to an additional $444 million in cost of sales associated with the operations of Pactiv including $64 million related to the impact of purchase price accounting on inventories, and the impact of the expiration of the Black Liquor Credit within the Evergreen segment. For the year ended December 31, 2009, cost of sales included a benefit of $214 million while the year ended December 31, 2010 included a benefit of $10 million relating to Black Liquor Credit. Cost of sales also increased primarily due to higher sales volume across all segments other than Pactiv Foodservice. These increases were partially offset by $95 million of expenses in 2009 within the Reynolds Consumer Products and Pactiv Foodservice segments resulting from the settlement of unfavorable historical aluminum hedge positions under the segments historical hedging policy, which was terminated in the three months ended December 31, 2009.

In addition, cost of sales was impacted by favorable foreign currency impact of $43 million primarily due to the weakening of the euro against the dollar, which had a $64 million favorable impact at the SIG segment and a $21 million unfavorable impact at the Closures segment.

For a detailed explanation of the variations in cost of sales for each of our segments, see the individual segment discussions below.

*Gross Profit.* Gross profit increased by $31 million, or 3%, to $1,250 million for the year ended December 31, 2010 compared to $1,219 million for the year ended December 31, 2009. However, gross profit margin decreased to 18% for the year ended December 31, 2010 compared to 21% for the year ended December 31, 2009 due to the impact of the Black Liquor Credit, the unfavorable historical aluminum hedge positions and a purchase price accounting adjustment on inventory as discussed above.

Excluding these non-recurring credits and losses recorded in cost of sales, gross profit margin would have remained constant at 19% for the year ended December 31, 2010 compared to the year ended December 31, 2009. For further information on the variations in gross profit for each of our segments, see the individual segment discussions below.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $46 million, or 8%, to $623 million for the year ended December 31, 2010 compared to $577 million for the year ended December 31, 2009. This increase was primarily due to $48 million in expenses attributable to Pactiv.

For a detailed explanation of the variations in selling, marketing and distribution expenses and general and administration expenses for each of our segments, see the individual segment discussions below.

*Net Other Income and Other Expenses.* Net other income decreased by $83 million, or 79%, to $22 million for the year ended December 31, 2010 compared to $105 million for the year ended December 31, 2009. This decline in net other income was primarily attributable to a $125 million decrease in unrealized gains on derivatives used to hedge exposure to commodity prices partially offset by a $49 million decrease in business restructuring expenses during 2010. Refer to note 8 and note 10 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus.

*Other.* The increase of $7 million in the share of profits of associates and joint ventures for the year ended December 31, 2010 was primarily due to continued improvement in the results of operations of the Obeikan joint venture operations within our SIG segment.

*Net Financial Expenses.* Net financial expenses increased by $194 million, or 39%, to $686 million for the year ended December 31, 2010 compared to $492 million for the year ended December 31, 2009. The increase was largely related to an increase of $191 million in interest expense due to increases in the principal amount of the RGHL Group s fixed and floating rate borrowings of $4,896 million and $2,116 million, respectively, resulting from the issuance or acquisition of additional indebtedness. Interest rate changes on the floating rate

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borrowings had no significant impact on net financial expenses for the year ended December 31, 2010. Net financial expenses for the year ended December 31, 2010 also included $109 million of debt financing related costs that were partially offset by a $42 million change in the fair value of derivative financial instruments. Our borrowings (net of original issue discount, unamortized debt issuance costs and embedded derivatives) as of December 31, 2010 were $11,842 million compared to $4,954 million as of December 31, 2009. In November 2009 and May 2010, we completed the financings associated with the RGHL Acquisition and the Evergreen Acquisition, respectively. In November 2010, we incurred additional borrowings of $5,020 million, the proceeds of which were used to finance the Pactiv Acquisition and repay existing indebtedness. Following the Pactiv Acquisition, $1,482 million of Pactiv s indebtedness remained outstanding. The timing of these financings has resulted in our historical interest expense not being representative of our interest expense in future periods. Refer to Key Factors Influencing Our Financial Condition and Results of Operations Acquisitions, Substantial Leverage and Other Transaction-Related Effects. For more information regarding the RGHL Group s financial expenses and borrowings, refer to notes 12 and 25, respectively, of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus.

*Income Tax Expense.* For the year ended December 31, 2010, the income tax expense of $78 million on a loss before income tax of $19 million was largely due to the inability of certain subsidiaries to claim deductions for certain expense items, such as interest and other associated financing costs, due to local jurisdictional limitations. For a reconciliation of pre-tax profit (loss) to tax expense, refer to note 13 of the RGHL Group s audited financial statements, included elsewhere in this prospectus.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $667 million, $1,171 million and $1,251 million, respectively, compared to $758 million, $1,260 million and $1,130 million, respectively, for the year ended December 31, 2009.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the RGHL Group is as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| | 2010(1) | 2009(2) |
| | (In $ million) | |
| **Profit from operating activities** | **667** | **758** |
| Depreciation and amortization | 504 | 502 |
| **EBITDA(3)** | **1,171** | **1,260** |
| ***Included in the RGHL Group EBITDA:*** | | |
| Adjustment related to settlement of a lease obligation | (2) | |
| Asset impairment charges | 28 | 13 |
| Black Liquor Credit | (10) | (214) |
| Business acquisition costs | 12 | 1 |
| Business interruption costs | 2 | |
| CSI Americas gain on acquisition | (10) | |
| Elimination of the effect of the historical Reynolds Consumer hedging policy | | 95 |
| Equity method profit not distributed in cash | (14) | (10) |
| Gain on sale of businesses and investment properties | (16) | |
| Impact of purchase price accounting on inventories | 63 | 5 |
| Korean insurance claim | | (2) |
| Loss on sale of Baco assets | | 1 |
| Manufacturing plant flood impact | | 5 |
| Operational process engineering-related consultancy costs | 8 | 13 |
| Non-cash pension income | (5) | |
| Plant realignment costs | | 2 |
| Related party management fees | 1 | 3 |
| Restructuring costs | 9 | 58 |
| Termination of supply agreements | 7 | |
| Transition costs | | 24 |
| Unrealized gains on derivatives | (3) | (129) |
| VAT and custom duties on historical imports | 10 | 3 |
| Write-down of assets held for sale | | 1 |
| Write-off of receivables related to sale of Venezuela operations | | 1 |
| **RGHL Group Adjusted EBITDA(3)** | **1,251** | **1,130** |
| **Segment detail of Adjusted EBITDA:** | | |
| SIG | 513 | 475 |
| Evergreen | 196 | 167 |
| Closures | 170 | 148 |
| Reynolds Consumer Products | 299 | 280 |
| Pactiv Foodservice | 81 | 60 |
| Corporate/Unallocated | (8) | |
| **RGHL Group Adjusted EBITDA(3)** | **1,251** | **1,130** |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

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(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

*SIG Segment*

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2010 | % of Segment Revenue | 2009 | % of Segment Revenue | Change | % Change |
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,846 | 100% | 1,668 | 100% | 178 | 11% |
| Cost of sales | (1,382) | (75)% | (1,258) | (75)% | (124) | 10% |
| Gross profit | 464 | 25% | 410 | 25% | 54 | 13% |
| Selling, marketing and distribution expense/General and administration expense | (235) | (13)% | (224) | (13)% | (11) | 5% |
| Net other income (expense) | 22 | 1% | (5) | % | 27 | NM |
| Profit from operating activities | 267 | 14% | 190 | 11% | 77 | 41% |
| SIG segment EBITDA | 510 | 28% | 440 | 26% | 70 | 16% |
| SIG segment Adjusted EBITDA | 513 | 28% | 475 | 28% | 38 | 8% |

*Revenue.* Revenue increased by $178 million, or 11%, to $1,846 million for the year ended December 31, 2010 compared to $1,668 million for the year ended December 31, 2009. As discussed in more detail below, $171 million of this increase in revenue was attributable to an increase in volume, primarily due to the recovery of consumer confidence in milk products in China following the melamine contamination of dairy products that occurred in 2008, new customers in Southern Europe, South America and the Middle East and growth with existing customers in Eastern Europe. In addition, the increase in revenue is partially attributable to $82 million of incremental revenue generated from the operations of the Whakatane paper mill which was acquired in May 2010. The increases in revenue were offset by an unfavorable foreign currency impact of $72 million largely attributable to the weakening of the euro against the dollar and a $3 million unfavorable impact due to lower prices as a result of market competition.

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Revenue in Europe decreased by $28 million, or 3%, to $1,089 million for the year ended December 31, 2010 compared to $1,117 million for the year ended December 31, 2009. Revenue for the year ended December 31, 2010 included an unfavorable foreign currency impact of $49 million largely attributable to the weakening of the euro against the dollar. Excluding this foreign currency impact, revenue increased by $21 million primarily as a result of revenue growth of $33 million in the Southern and Eastern European markets during the year ended December 31, 2010 largely due to an increase in sales volume in the liquid dairy, food packaging and juice markets due to higher demand. The increase was partially offset by a $13 million revenue decrease in the Western European market largely due to lower volumes from a market shift to the use of lower cost PET instead of cartonboard in the juice market.

Revenue in the rest of the world increased by $206 million, or 37%, to $757 million for the year ended December 31, 2010 compared to $551 million for the year ended December 31, 2009. The increase in revenue is partially attributable to $82 million of incremental revenue generated from the operations of the Whakatane paper mill which was acquired in May 2010. Additionally, revenue increased by $147 million mainly due to an increase in sales volume in China resulting from the recovery of consumer confidence in milk products following the melamine contamination of dairy products that occurred in 2008 in South America primarily due to new customers and in the Middle East primarily due to a significant increase in volume and the number of filler machines deployed to meet the needs of new customers. Revenue for the year ended December 31, 2010 included an unfavorable foreign currency impact of $23 million largely attributable to the strengthening of the Thai baht and Brazilian real against the dollar.

*Cost of Sales.* Cost of sales increased by $124 million, or 10%, to $1,382 million for the year ended December 31, 2010 compared to $1,258 million for the year ended December 31, 2009. Cost of sales increased by $187 million due to the impact of volume increases primarily attributable to the operations of the Whakatane paper mill as discussed above. The increase in cost of sales was partially offset by a $64 million favorable foreign currency impact largely attributable to the weakening of the euro against the dollar. Raw materials costs, primarily resin and aluminum, increased by $117 million during the year ended December 31, 2010. For the years ended December 31, 2010 and 2009, raw material costs accounted for 63% and 60% of SIG s cost of sales, respectively.

*Gross Profit.* Gross profit increased by $54 million or 13% to $464 million for the year ended December 31, 2010 compared to $410 million for the year ended December 31, 2009. Gross profit margin for the year ended December 31, 2010 remained stable at 25% compared to the year ended December 31, 2009. Besides positive volume growth, the margin benefitted from improvement of the profit margin in China, due to relatively lower manufacturing costs as a result of a plant expansion in China, which yielded better fixed cost absorption. These were partially offset by increases in raw material costs that were not passed through to customers. Gross profit for the year ended December 31, 2010 reflected an unfavorable foreign currency impact of $8 million compared to the year ended December 31, 2009, largely attributable to the weakening of the euro against the dollar.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $11 million, or 5%, to $235 million for the year ended December 31, 2010 compared to $224 million for the year ended December 31, 2009 primarily due to $9 million in additional expenses related to SIG s developing business in the growing China and South American markets.

*Other.* Other expenses reflect a $26 million decline in restructuring expenses related to redundancy and related consulting costs.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $267 million, $510 million and $513 million, respectively, compared to $190 million, $440 million and $475 million, respectively, for the year ended December 31, 2009.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the SIG segment is as follows:

| | For the Year Ended December 31, 2010 | 2009 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **267** | **190** |
| Depreciation and amortization | 243 | 250 |
| **EBITDA** | **510** | **440** |
| **Included in SIG segment EBITDA:** | | |
| Asset impairment charges (reversals) | (1) | 6 |
| Equity method profit not distributed in cash | (11) | (8) |
| (Gain) on sale of businesses and investment properties | (6) | |
| Restructuring costs | 11 | 38 |
| Unrealized gain on derivatives | | (4) |
| VAT and customs duties on historical imports | 10 | 3 |
| **SIG segment Adjusted EBITDA** | **513** | **475** |

*Evergreen Segment*

| | For the Year Ended December 31, 2010 | % of Segment Revenue | 2009 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,583 | 100% | 1,429 | 100% | 154 | 11% |
| Cost of sales | (1,374) | (87)% | (1,053) | (74)% | (321) | 30% |
| Gross profit | 209 | 13% | 376 | 26% | (167) | (44)% |
| Selling, marketing and distribution expense General and administration expense | (94) | (6)% | (83) | (6)% | (11) | 13% |
| Net other income (expense) | 27 | 2% | (2) | % | 29 | NM |
| Profit from operating activities | 144 | 9% | 293 | 21% | (149) | (51)% |
| Evergreen segment EBITDA | 206 | 13% | 357 | 25% | (151) | (42)% |
| Evergreen segment Adjusted EBITDA | 196 | 12% | 167 | 12% | 29 | 17% |

*Revenue.* Revenue increased by $154 million, or 11%, to $1,583 million for the year ended December 31, 2010 compared to $1,429 million for the year ended December 31, 2009. This increase was largely attributable to a $80 million increase in external sales of liquid packaging board and an increase of $75 million in sales of paper products, partially offset by a $1 million decrease in sales of cartons. The increase in sales of liquid packaging board is due to higher sales volume of $62 million, resulting from higher consumer demand due to the recovery from the economic slowdown experienced in the year ended December 31, 2009, and $18 million of higher sales prices as a result of the pass through of raw material price fluctuations to customers. The increase in sales of paper products is due to higher volume of $56 million and higher sales prices of $19 million as demand for envelopes and other commercial paper products recovered from the economic slowdown experienced in the year ended December 31, 2009. The decline in sales of cartons is due to a decrease in volume of $18 million due to lower customer demand, partially offset by higher prices of $17 million as a result of the pass through of raw material price fluctuations to customers.

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*Cost of Sales.* Cost of sales increased by $321 million, or 30%, to $1,374 million for the year ended December 31, 2010 compared to $1,053 million for the year ended December 31, 2009. The increase in cost of sales is mainly attributable to the recognition of $10 million of Black Liquor Credit for the year ended December 31, 2010 compared to $214 million of Black Liquor Credit for the year ended December 31, 2009. For further information on Black Liquor Credit see Key Factors Influencing Our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Excluding the impact of Black Liquor Credit, cost of sales would have increased by $117 million, or 9%, to $1,384 million for the year ended December 31, 2010 compared to $1,267 million for the year ended December 31, 2009. The increase in cost of sales would have been attributable to a $136 million increase related to higher sales volume, primarily of liquid packaging board and paper products, partially offset by a $19 million benefit from cost savings initiatives. Excluding the impact of Black Liquor Credit, raw material costs for the years ended December 31, 2010 and 2009 accounted for 41% and 42% of Evergreen s cost of sales, respectively.

*Gross Profit.* Gross profit decreased by $167 million, or 44%, to $209 million for the year ended December 31, 2010 compared to $376 million for the year ended December 31, 2009. Gross profit margin for the year ended December 31, 2010 decreased to 13% of the segment s revenue compared to 26% for the year ended December 31, 2009. This decrease was due to a decline in the impact of Black Liquor Credit on cost of sales as discussed above.

Excluding the impact of Black Liquor Credit, gross profit would have been 13% of the segment s revenue for the year ended December 31, 2010 compared to 11% for the year ended December 31, 2009. This improvement in gross profit margin was largely driven by higher sales volume, partially offset by an increase in raw material costs and other input costs as a result of the lag time between the purchase of raw materials by Evergreen and the pass through of raw material price fluctuations to customers.

Evergreen s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including fiber, resin and commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal. Evergreen purchases most of its raw materials on the spot market and generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Evergreen s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $11 million, or 13%, to $94 million for the year ended December 31, 2010 compared to $83 million for the year ended December 31, 2009, largely due to increased compensation expense.

*Other.* Net other expenses decreased by $29 million to net other income of $27 million for the year ended December 31, 2010 compared to net other expense of $2 million for the year ended December 31, 2009 due to an $11 million decline in operational process engineering-related consultancy costs, an increase in by-product sales of $7 million, a $2 million gain on sale of businesses, a $6 million decline in asset impairment charges and a $3 million decrease in restructuring charges incurred in 2009 due to exit costs and the disposal of certain manufacturing facilities.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $144 million, $206 million and $196 million, respectively, compared to $293 million, $357 million and $167 million, respectively, for the year ended December 31, 2009.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Evergreen segment is as follows:

| | For the Year Ended December 31, 2010 | 2009 |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **144** | **293** |
| Depreciation and amortization | 62 | 64 |
| **EBITDA** | **206** | **357** |
| **Included in Evergreen segment EBITDA:** | | |
| Asset impairment charges | | 6 |
| Black Liquor Credit | (10) | (214) |
| Business acquisition costs | 1 | 1 |
| Equity method profit not distributed in cash | (3) | (2) |
| Gain on sale of businesses and investment properties | (2) | |
| Korean insurance claim | | (2) |
| Operational process engineering-related consultancy costs | 2 | 13 |
| Related party management fees | 1 | 3 |
| Restructuring costs | | 3 |
| Unrealized loss on derivatives | 1 | |
| Write-down of assets held for sale | | 1 |
| Write-off of receivables related to the sale of Venezuela operations | | 1 |
| **Evergreen segment Adjusted EBITDA** | **196** | **167** |

*Closures Segment*

| | For the Year Ended December 31, 2010 | % of Segment Revenue | 2009 | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,174 | 100% | 980 | 100% | 194 | 20% |
| Cost of sales | (989) | (84)% | (819) | (84)% | (170) | 21% |
| Gross profit | 185 | 16% | 161 | 16% | 24 | 15% |
| Selling, marketing and distribution expense/General and administration expense | (96) | (8)% | (87) | (9)% | (9) | 10% |
| Net other income (expense) | 7 | 1% | 8 | 1% | (1) | (13)% |
| Profit from operating activities | 96 | 8% | 82 | 8% | 14 | 17% |
| Closures segment EBITDA | 175 | 15% | 155 | 16% | 20 | 13% |
| Closures segment Adjusted EBITDA | 170 | 14% | 148 | 15% | 22 | 15% |

*Revenue.* Revenue increased by $194 million, or 20%, to $1,174 million for the year ended December 31, 2010 compared to $980 million for the year ended December 31, 2009. As discussed in more detail below, $73 million of this increase in revenue was due to increased sales volumes, largely attributable to market growth in Europe and Asia. In addition, the increase in revenue is also attributable to $52 million of incremental revenue generated from the operations of CSI Americas which was acquired in February 2010. Favorable foreign

currency impact also increased revenue by $25 million primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar.

Closures revenue is also impacted by changes in product mix and pricing related to the pass-through of resin price increases to customers. Within its beverage caps and closures market, Closures sells both a short height closure and a traditional two-piece closure. Prices are generally lower on the short height closure compared to the traditional two-piece closure, therefore, product mix in the period directly impacts revenue. In addition, contractual price adjustments with customers do not occur simultaneously with actual resin purchase price fluctuations, but rather on a monthly, quarterly, semi-annual or other basis. Therefore, due to the differences in timing between Closures purchase of resin from its suppliers and sales of closures to its customers, pricing related to the pass-through of resin price fluctuations to customers also directly impacts revenue. The net increase in revenue as a result of product mix and pricing related to the pass-through of resin price increases to customers was $44 million.

Revenue from North America increased by $103 million, or 29%, to $464 million for the year ended December 31, 2010 compared to $361 million for the year ended December 31, 2009. This increase was primarily attributable to $52 million of incremental revenue generated from the operations of CSI Americas. In addition, higher sales volume, primarily due to increased market share in North America, increased revenue by $6 million. Favorable foreign currency impact increased revenue by $9 million, primarily due to the strengthening of the Mexican peso against the dollar. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $36 million.

Revenue in the rest of the world markets increased by $92 million, or 15%, to $711 million for the year ended December 31, 2010 compared to $619 million for the year ended December 31, 2009. Increased volume, largely attributable to growth in Europe and Asia, contributed $68 million to the increase in revenue. These increases were primarily attributable to increased market penetration, introduction of new products, including short height closures, and increased market share in Europe and Asia. Favorable foreign currency impact, primarily due to the strengthening of the Japanese yen and Brazilian real against the dollar, increased revenue in the rest of the world by $16 million. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $8 million.

*Cost of Sales.* Cost of sales increased by $170 million, or 21%, to $989 million for the year ended December 31, 2010 compared to $819 million for the year ended December 31, 2009. The increase in cost of sales was primarily attributable to a $57 million increase due to higher sales volumes, as discussed above, as well as $49 million of incremental costs associated with the operations of CSI Americas. In addition, unfavorable foreign currency impact increased cost of sales by $21 million, primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar.

Closures cost of sales is also impacted by changes in product mix and raw material costs. Gross raw materials costs, primarily resin, increased by $130 million for the year ended December 31, 2010 compared to the year ended December 31, 2009, a significant portion of which is passed through to Closures customers as discussed above. The net increase in cost of sales as a result of changes in product mix and increases in raw material costs was $42 million. For the years ended December 31, 2010 and 2009, raw material costs accounted for 59% and 55% of Closures cost of sales, respectively.

*Gross Profit.* Gross profit increased by $24 million, or 15%, to $185 million for the year ended December 31, 2010 compared to $161 million for the year ended December 31, 2009 and gross profit margin remained flat at 16% for the year ended December 31, 2010 compared to the year ended December 31, 2009.

Gross profit increased by $16 million as a result of sales volume growth and $3 million as a result of incremental gross profit generated from the operations of CSI Americas which was acquired in February 2010. Favorable foreign currency impact increased gross profit by $4 million, primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar. These increases were partially offset by the net impact of increased raw material costs, changes in product mix and pricing related to the pass-through of resin price increases to customers as discussed above.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $9 million, or 10%, to

$96 million for the year ended December 31, 2010 compared to $87 million for the year ended December 31, 2009. This increase was largely due to $3 million of higher amortization expense primarily as a result of the implementation of software during the second half of 2009, as well as $4 million of higher advertising and other marketing expenses primarily associated with market expansion.

*Other.* Other income included a gain of $10 million on the purchase of CSI Americas in February 2010 and $3 million of restructuring costs. The results of operations for the year ended December 31, 2009 included $10 million of unrealized gains on derivative instruments and $3 million of restructuring costs. These items have been included in the segment s Adjusted EBITDA calculation.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $96 million, $175 million and $170 million, respectively, compared to $82 million, $155 million and $148 million, respectively, for the year ended December 31, 2009.

***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Closures segment is as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| | 2010 | 2009 |
| | (In $ million) | |
| **Profit from operating activities** | **96** | **82** |
| Depreciation and amortization | 79 | 73 |
| **EBITDA** | **175** | **155** |
| **Included in Closures segment EBITDA:** | | |
| Business acquisition costs | 1 | |
| Business interruption costs | 2 | |
| CSI Americas gain on acquisition | (10) | |
| Restructuring costs | 3 | 3 |
| Unrealized gain on derivatives | (1) | (10) |
| **Closures segment Adjusted EBITDA** | **170** | **148** |

*Reynolds Consumer Products Segment*

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2010(1) | % of Segment Revenue | 2009(2) | % of Segment Revenue | Change | % Change |
| | (In $ million, except for %) | | | | | |
| Segment revenue | 1,378 | 100% | 1,190 | 100% | 188 | 16% |
| Cost of sales | (1,051) | (76)% | (968) | (81)% | (83) | 9% |
| Gross profit | 327 | 24% | 222 | 19% | 105 | 47% |
| Selling, marketing and distribution expense/General and administration expense | (116) | (8)% | (126) | (11)% | 10 | (8)% |
| Net other income (expense) | 3 | % | 95 | 8% | (92) | (97)% |
| Profit from operating activities | 214 | 16% | 191 | 16% | 23 | 12% |
| Reynolds Consumer Products segment EBITDA | 276 | 20% | 254 | 21% | 22 | 9% |
| Reynolds Consumer Products segment Adjusted EBITDA | 299 | 22% | 280 | 24% | 19 | 7% |

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(1) Represents the results of operations for Reynolds Consumer Products for the full year ended December 31, 2010 which includes the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations for Reynolds Consumer Products for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds consumer products business and does not include the results of operations for the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

We acquired Pactiv on November 16, 2010. The operating results of the Hefty consumer products business have been included within the Reynolds Consumer Products segment since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, the Hefty consumer products business revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA included in the Reynolds Consumer Products segment were $177 million, $156 million, $17 million, $4 million, $17 million and $42 million, respectively.

*Revenue.* Revenue increased by $188 million, or 16%, to $1,378 million for the year ended December 31, 2010 compared to $1,190 million for the year ended December 31, 2009. This increase was largely attributable to $177 million of incremental revenue from waste and storage and tableware products generated from the operations of the Hefty consumer products business which was acquired as part of the Pactiv Acquisition in November 2010. The remaining $11 million increase in revenue was mainly due to an increase in selling prices resulting from the pass-through of resin price increases to customers and increases in sales volume, partially offset by a decrease in revenue resulting from the planned exit from certain low margin or unprofitable product lines in the second half of 2009.

*Cost of Sales.* Cost of sales increased by $83 million, or 9%, to $1,051 million for the year ended December 31, 2010 compared to $968 million for the year ended December 31, 2009. The increase in cost of sales was due to incremental cost of sales of $156 million incurred by the Hefty consumer products business, which included purchase price accounting adjustments of $25 million for inventories acquired as part of the Pactiv Acquisition. The increase was partially offset by realized hedging losses recognized for the year ended December 31, 2009, partially offset by increased raw material costs for the year ended December 31, 2010. Cost of sales for the year ended December 31, 2009 was negatively impacted by realized losses of $91 million related to the settlement of unfavorable aluminum hedge positions under the segment s historical hedging policy, which has since been terminated. As a result of this hedging policy and the steep decline in the price of aluminum during the second half of 2008 and into early 2009, Reynolds Consumer Products realized $91 million of hedging losses, which is reflected in cost of sales for the year ended December 31, 2009.

Excluding the impact of the realized losses related to the unfavorable aluminum hedge positions in 2009 and the increased cost of sales incurred by the Hefty consumer products business which was acquired in November 2010, cost of sales would have increased by $18 million from $877 million for the year ended December 31, 2009 to $895 million for the year ended December 31, 2010. This increase would have been primarily due to increased raw material costs, which increased by approximately $22 million and represented 58% of cost of sales for the year ended December 31, 2009 compared to 59% of cost of sales for the year ended December 31, 2010.

*Gross Profit.* Gross profit increased by $105 million, or 47%, to $327 million for the year ended December 31, 2010 compared to $222 million for the year ended December 31, 2009, with the gross profit margin for the year ended December 31, 2010 increasing to 24% of the segment s revenue compared to 19% for the year ended December 31, 2009. The increase in gross profit reflects the incremental gross profit of $21 million generated from the operations of the Hefty consumer products business which was acquired as part of the Pactiv Acquisition in November 2010, and takes into effect the negative impact of purchase price accounting adjustments as discussed above. Gross profit and gross profit margin also increased due to the impact of the realized losses associated with the settlement of unfavorable aluminum hedge positions as discussed above.

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Excluding the impact of these items, gross profit margin would have been 26% for the year ended December 31, 2010, consistent with the year ended December 31, 2009. This decrease is primarily due to increased raw material costs that Reynolds Consumer Products has not been able to fully pass through to its customers.

Reynolds Consumer Products gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Reynolds Consumer Products generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. For most resin based products, there is a lag time between the purchase of raw materials by Reynolds Consumer Products and the pass-through of raw material price fluctuations to customers. For aluminum based products, contracts with customers do not contain contractual price protection for raw material cost fluctuations. Due to the differences in timing between Reynolds Consumer Products purchases of resin from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising resin prices and positively impacted in periods of falling resin prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses decreased by $10 million, or 8%, to $116 million for the year ended December 31, 2010 compared to $126 million for the year ended December 31, 2009. The decrease in selling, marketing and distribution expenses and general and administration expenses was primarily due to the costs incurred in the year ended December 31, 2009 related to the transition from Alcoa s systems, networks and services to those of Reynolds Consumer Products and costs related to a flood at one of the segment s locations, partially offset by additional expenses of $17 million attributable to the Hefty consumer products business.

*Other.* Net other income decreased by $92 million to $3 million net other income compared to $95 million net other income for the year ended December 31, 2009. The decrease in other income reflects a decrease of $100 million in unrealized gains on open aluminum hedge positions and a decrease of $9 million in restructuring costs associated with plant rationalizations.

*Profit from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $214 million, $276 million and $299 million, respectively, compared to $191 million, $254 million and $280 million, respectively, for the year ended December 31, 2009.

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***EBITDA/Adjusted EBITDA Reconciliation***

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Reynolds Consumer Products segment is as follows:

| | For the Year Ended December 31, 2010(1) | 2009(2) |
|---|---|---|
| | (In $ million) | |
| **Profit from operating activities** | **214** | **191** |
| Depreciation and amortization | 62 | 63 |
| **EBITDA** | **276** | **254** |
| **Included in Reynolds Consumer Products segment EBITDA:** | | |
| Adjustment related to settlement of a lease obligation | (2) | |
| Elimination of historical Reynolds hedging policy | | 91 |
| Impact of purchase price accounting on inventories | 25 | |
| Loss on sale of Baco assets | | 1 |
| Manufacturing plant flood impact | | 5 |
| Operational process engineering-related consultancy costs | 6 | |
| Plant realignment costs | | 2 |
| Restructuring costs (recoveries) | (4) | 5 |
| Transition costs | | 24 |
| Unrealized gain on derivatives | (2) | (102) |
| **Reynolds Consumer Products segment Adjusted EBITDA** | **299** | **280** |

(1) Represents the results of operations of Reynolds Consumer Products for the full year ended December 31, 2010 which includes the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of Reynolds Consumer Products for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds consumer products business and does not include the results of operations for the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

*Pactiv Foodservice Segment*

| | For the Year Ended December 31, 2010(1) | % of Segment Revenue | 2009(2) | % of Segment Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| | (In $ million, except for %) | | | | | |
| Segment revenue | 924 | 100% | 739 | 100% | 185 | 25% |
| Cost of sales | (859) | 93% | (692) | 94% | (167) | 24% |
| Gross profit | 65 | 7% | 47 | 6% | 18 | 38% |
| Selling, marketing and distribution expense/General and administration expense | (80) | (9)% | (50) | (7)% | (30) | 60% |
| Net other income (expense) | (26) | (3)% | 5 | 1% | (31) | NM |
| Profit (loss) from operating activities | (41) | (4)% | 2 | % | (43) | NM |
| Pactiv Foodservice segment EBITDA | 17 | 2% | 54 | 7% | (37) | (69)% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Pactiv Foodservice segment Adjusted EBITDA | 81 | 9% | 60 | 8% | 21 | 35% |

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(1) Represents the results of operations of Pactiv Foodservice for the full year ended December 31, 2010 which includes the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of Pactiv Foodservice for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds foodservice packaging business and does not include the results of operations for the Pactiv foodservice packaging business acquired in November 2010 as part of the Pactiv Acquisition.

We acquired Pactiv on November 16, 2010. The operating results of the Pactiv foodservice packaging business have been included within the Pactiv Foodservice segment since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, the Pactiv foodservice packaging business revenues, cost of sales, selling, marketing and distribution expenses/general and administration expenses, loss from operating activities, loss before interest, taxes, depreciation and amortization and Adjusted EBITDA included in the Pactiv Foodservice segment for 2010 were $304 million, $288 million, $34 million, $38 million, $9 million and $49 million, respectively.

*Revenue.* Revenue increased by $185 million, or 25%, to $924 million for the year ended December 31, 2010 compared to $739 million for the year ended December 31, 2009. This increase was largely attributable to $304 million of incremental revenue generated from foam, tableware, and specialty products generated from the operations of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010. Prior to this acquisition, none of these products were offered by the Reynolds foodservice packaging business. Clear plastics, paper and aluminum product offerings were also significantly expanded as a result of the Pactiv Acquisition. Excluding the incremental revenue associated with the Pactiv Acquisition, revenue decreased by $118 million due to a decline in revenue of $76 million due to the sale of Pactiv Foodservice s envelope window film business in January 2010, $69 million due to lower sales volume resulting from planned exits from non-core and lower margin products in 2009, and an overall decrease in demand of $39 million due to depressed market conditions in the United States. These decreases were partially offset by improved pricing of $66 million from the flow-through of resin price increases to customers.

*Cost of Sales.* Cost of sales increased by $167 million, or 24%, to $859 million for the year ended December 31, 2010 compared to $692 million for the year ended December 31, 2009. The increase is primarily attributable to the incremental cost of sales of $288 million incurred by the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010, including the negative impact of $38 million related to the fair value adjustment of inventories acquired which were subsequently sold in the normal course of business.

Excluding the incremental cost of sales incurred by the Pactiv foodservice packaging business, cost of sales decreased by $121 million, primarily as a result of the sale of Pactiv Foodservice s envelope window film business in January 2010 and exits from non-core and lower margin products.

Pactiv Foodservice experienced increases in the purchase price of raw materials, primarily resin and aluminum, for the year ended December 31, 2010 compared to the year ended December 31, 2009. However, raw material costs accounted for 61% and 65% of Pactiv Foodservice s cost of sales, respectively, for the same periods. This decrease in raw material costs as a percentage of cost of sales is primarily attributable to increased depreciation and amortization expense as a result of increases in the fair values of property, plant and equipment that were acquired as part of the Pactiv Acquisition. Raw material costs for the year ended December 31, 2010 increased by $77 million compared to the year ended December 31, 2009, primarily due to $141 million of incremental raw material costs incurred by the Pactiv foodservice packaging business, partially offset by a $64 million decrease in raw material costs as a result of the sale of Pactiv Foodservice s envelope window film business in January 2010 and the exit from non-core and lower margin products.

*Gross Profit.* Gross profit increased by $18 million, or 38%, to $65 million for the year ended December 31, 2010 compared to $47 million for the year ended December 31, 2009, with gross profit margin for the year ended December 31, 2010 increasing to 7% of the segment s revenue compared to 6% for the year ended December 31, 2009. This increase in gross profit was largely attributable to $15 million of incremental gross profit generated from the operations of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010. The gross profit margin impact attributable to the Pactiv foodservice packaging business includes a negative impact of $38 million related to the fair value adjustment of inventories acquired which were subsequently sold in the normal course of business.

Excluding the impact from this fair value adjustment in inventories acquired, gross profit margin would have increased by $56 million, or 119%, to $103 million for the year ended December 31, 2010 compared to $47 million for the year ended December 31, 2009. Gross profit margin would have increased to 11% of the segment s revenue for the year ended December 31, 2010 compared to 6% for the year ended December 31, 2009.

Excluding the incremental gross profit associated with the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010, gross profit would have increased by $3 million and gross profit margin would have increased to 8% of the segment s revenue for the year ended December 31, 2010 compared to 6% for the year ended December 31, 2009. This increase would have been driven by productivity efficiencies and the exit from lower margin products as discussed above.

Pactiv Foodservice s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Pactiv Foodservice generally cannot immediately pass through price increases or declines to its customers because the price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Pactiv Foodservice s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

*Selling, Marketing and Distribution Expenses/General and Administration Expenses.* Selling, marketing and distribution expenses and general and administration expenses increased by $30 million, or 60%, to $80 million for the year ended December 31, 2010 compared to $50 million for the year ended December 31, 2009. The increase in selling, marketing and distribution expenses and general and administration expenses was primarily due to additional expenses of $34 million attributable to the operations of the Pactiv foodservice packaging business, which was partially offset by benefits from previously implemented restructuring programs related to headcount reductions.

*Other.* Net other expenses increased by $31 million to $26 million net other expense compared to $5 million net other income for the year ended December 31, 2009. The increase in other expenses was mainly attributed to an increase of $28 million in impairment charges, comprised of $23 million in impairment charges related to plant closures attributable to the integration of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010, $7 million in impairment charges on assets classified as held-for-sale, a decrease of $12 million of unrealized gains on open hedge positions of aluminum and resin due to changes in fair value and an increase of $7 million related to the termination of redundant supply agreements. This was partially offset by a decrease of $10 million in severance expense as part of a restructuring initiative and an increase of $8 million resulting from a gain on sale of a business.

*Loss from Operating Activities, EBITDA and Adjusted EBITDA.* As a result of the above factors, loss from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $41 million, $17 million and $81 million, respectively, compared to a profit from operating activities of $2 million, EBITDA of $54 million and Adjusted EBITDA of $60 million for the year ended December 31, 2009.

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*EBITDA/Adjusted EBITDA Reconciliation*

The reconciliation of profit (loss) from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Pactiv Foodservice segment is as follows:

| | For the Year Ended December 31, 2010 | For the Year Ended December 31, 2009 |
|---|---|---|
| | (In $ million) | |
| **Profit (loss) from operating activities** | **(41)** | **2** |
| Depreciation and amortization | 58 | 52 |
| **EBITDA** | **17** | **54** |
| **Included in Pactiv Foodservice segment EBITDA:** | | |
| Asset impairment charges | 29 | 1 |
| Elimination of the effect of the historical Reynolds Consumer hedging policy | | 4 |
| Gain on sale of businesses and investment properties | (8) | |
| Impact of purchase price accounting on inventories | 38 | |
| Inventory write-off arising on restructure | | 5 |
| Restructuring costs (recoveries) | (1) | 9 |
| Termination of supply agreement | 7 | |
| Unrealized gain on derivatives | (1) | (13) |
| **Pactiv Foodservice segment Adjusted EBITDA** | **81** | **60** |

**Differences Between the RGHL Group and Beverage Packaging Holdings Group Results of Operations**

There are certain differences between the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements, each included elsewhere in this prospectus. The Beverage Packaging Holdings Group consists of BP I, BP I s consolidated subsidiaries and BP II.

RGHL is a non-operating holding company. Consequently, there are no differences between the revenue and gross profit amounts presented in the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements. The differences in the reported profit (loss) before income tax between the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements are primarily due to related party interest income and expenses that are recognized by RGHL, intercompany amounts between RGHL and the members of the Beverage Packaging Holdings Group that eliminate on consolidation of the RGHL Group, foreign exchange movements on the related party balances of RGHL and incidental RGHL corporate expenses.

Differences between the RGHL Group s balance sheet and Beverage Packaging Holdings Group s balance sheet are primarily attributable to the related party receivables and borrowings of RGHL.

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**Liquidity and Capital Resources**

***Historical Cash Flows***

The following table discloses the RGHL Group s cash flows from continuing operations for the periods presented:

| | For the Nine Month Period Ended September 30, | | For the Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2012(1) | 2011(2) | 2011(3) | 2010(4) | 2009(5) |
| | | | (In $ million) | | |
| Net cash flows from operating activities | 531 | 163 | 443 | 383 | 770 |
| Net cash used in investing activities | (339) | (2,388) | (2,502) | (4,588) | (135) |
| Net cash flows from (used in) financing activities | 998 | 2,608 | 2,006 | 4,345 | (501) |

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging for the nine month period ended September 30, 2012.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the nine month period ended September 30, 2011. Includes the operations of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

(3) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011.

(4) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(5) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

***Cash Flow from Operating Activities***

Cash flows from operating activities for the nine month period ended September 30, 2012 generated a net cash inflow of $531 million compared to a net cash inflow of $163 million for the nine month period ended September 30, 2011. The increase of $368 million in cash flow from operating activities was largely driven by an increase of $949 million in cash received from customers less cash paid to suppliers and employees due to additional cash inflow from the Graham Packaging and Dopaco acquisitions and improved working capital management, as well as $84 million of change of control and acquisition payments related to the acquisitions of Graham Packaging and Dopaco paid during the nine month period ended September 30, 2011. These increases were partially offset by an increase of $525 million in interest payments due to an overall increase in our borrowings to fund the Graham Packaging acquisition combined with the premiums paid of $66 million to redeem external borrowings during the nine month period ended September 30, 2012, as well as a tax refund of $50 million received in 2011.

Cash flows from operating activities for the year ended December 31, 2011 generated a net cash inflow of $443 million compared to a net cash inflow of $383 million for the year ended December 31, 2010. The increase in cash flow from operating activities was driven by an increase in cash received from customers less cash paid to suppliers and employees of $455 million, lower change of control and other acquisition costs during 2011 compared to 2010 and lower tax related payments during 2011 compared to 2010. These increases were partially offset by a $552 million increase in interest payments due to an overall increase in our borrowings to fund the Graham Packaging Acquisition and the

Pactiv Acquisition. The increase in the net cash received from customers, suppliers, and employees of $455 million is attributable to additional cash inflow from the inclusion of Pactiv, Graham Packaging and Dopaco that was partially offset by payments related to restructuring, business integration and operational process engineering costs as well as higher raw material costs within the legacy businesses. The change of control and other acquisition costs for 2011 related to the Graham Packaging Acquisition and the Dopaco Acquisition and the change of control and other acquisition costs for 2010 related to the Pactiv Acquisition.

Cash flows from operating activities for the year ended December 31, 2010 generated a net cash inflow of $383 million compared to $770 million for the year ended December 31, 2009. The $387 million decrease in cash inflow reflects the impact of changes of $23 million in our working capital position as well as additional interest and tax payments of $206 million during the year ended December 31, 2010, compared to the year ended December 31, 2009. The Pactiv Acquisition resulted in a reduction in cash flows from operating activities of $171 million due to change of control payments. The increase in interest payments is due to the overall increase in our borrowings.

***Cash Flow used in Investing Activities***

Cash flows used in investing activities for the nine month period ended September 30, 2012 resulted in a net cash outflow of $339 million compared to a net cash outflow of $2,388 million for the nine month period ended September 30, 2011. The change of $2,049 million in net cash outflows from investing activities was principally due to the Graham Packaging Acquisition for a total consideration of $1,797 million and the Dopaco Acquisition for a total consideration of $395 million during 2011, while 2012 includes proceeds of $80 million related to the sale of the Pactiv Foodservice laminating operations in Louisville, Kentucky.

Capital expenditures increased by $94 million to $441 million for the nine month period ended September 30, 2012 compared to $347 million in the nine month period ended September 30, 2011. Refer to Capital Expenditures for additional information regarding expenditures on property, plant and equipment and intangible assets.

Cash flows used in investing activities for the year ended December 31, 2011 resulted in a net cash outflow of $2,502 million compared to $4,588 million for the year ended December 31, 2010. The decrease in cash outflow was driven by the size of the business acquisitions during 2011 and 2010. The Pactiv Acquisition in 2010 was for cash consideration (net of cash acquired) of $4,361 million compared to the 2011 acquisitions of Graham Packaging for cash consideration (net of cash acquired) of $1,651 million and Dopaco for cash consideration (net of bank overdraft acquired) of $397 million. The cash flow used in investing activities for the year ended December 31, 2010 also includes proceeds of $32 million related to the sale of the envelope window film business and cash outflows of $25 million related to the acquisition of CSI Americas and $46 million related to the purchase of the Whakatane paper mill.

Capital expenditures increased by $183 million to $520 million for the year ended December 31, 2011 compared to 2010. The increase was primarily related to additional capital expenditures from the Pactiv Acquisition and the Graham Packaging Acquisition as well as higher spending at our SIG segment primarily to expand manufacturing capacity in Brazil and China. Refer also to Capital Expenditures for additional information regarding expenditures on property, plant and equipment and intangible assets.

Cash flows used in investing activities for the year ended December 31, 2010 resulted in a net cash outflow of $4,588 million compared to $135 million for the year ended December 31, 2009. The increase in net cash outflows from investing activities is principally due to the Pactiv Acquisition for total consideration, net of cash acquired, of $4,361 million and an increase of $45 million in capital expenditures.

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***Cash Flow from (used in) Financing Activities***

Cash flows from financing activities for the nine month period ended September 30, 2012 resulted in net cash inflow of $998 million compared to a net cash inflow of $2,608 million for the nine month period ended September 30, 2011. The net cash inflow during each respective period is summarized as follows:

| | For the nine month period ended September 30, 2012 | 2011 |
|---|---|---|
| | (In $ million) | |
| Principal borrowed | 7,149 | 9,164 |
| Repayments of external borrowings | (6,026) | (6,118) |
| Payment of liabilities arising from Graham Packaging acquisition | | (252) |
| Payment of transaction costs | (98) | (209) |
| Other | (27) | 23 |
| Net cash inflow | **998** | **2,608** |

Refer to note 14 of the RGHL Group s interim unaudited condensed financial statements included elsewhere in this prospectus for additional information related to each of our borrowings.

Cash flows from financing activities for the year ended December 31, 2011 resulted in a net cash inflow of $2,006 million compared to a net cash inflow of $4,345 million for the year ended December 31, 2010. The decrease in cash inflow was primarily driven by the drawdowns and repayments of our external borrowings that were used to fund our acquisitions in 2011 compared to 2010. Refer to note 25 of the RGHL Group s audited financial statements for the year ended December 31, 2011 included elsewhere in this prospectus for details related to each of our borrowings.

Cash flows from financing activities for the year ended December 31, 2010 resulted in a net cash inflow of $4,345 million compared to a net cash outflow of $501 million in the year ended December 31, 2009. Cash flows from financing activities for the year ended December 31, 2010 consisted principally of (i) $317 million of payments pertaining to debt issuance costs related to the RGHL Transaction and the Evergreen Transaction and fees associated with the debt commitment letter entered into in connection with the Pactiv Transaction and (ii) drawdown of borrowings of $6,822 million that was partially offset by a payment of $1,958 million for the acquisition of businesses under common control, specifically the Evergreen Acquisition excluding the Whakatane paper mill and the Reynolds Foodservice Acquisition. The borrowings were also utilized to partially fund the Pactiv Acquisition.

***Capital Expenditures***

| | For the Nine Month Period Ended September 30, 2012(1) | 2011(2) | For the Year Ended December 31, 2011(3) | 2010(4) | 2009(5) |
|---|---|---|---|---|---|
| | | | (In $ million) | | |
| Property, plant and equipment | (427) | (337) | (511) | (319) | (244) |
| Intangibles | (14) | (10) | (9) | (18) | (48) |
| **Total Capital Expenditures** | **(441)** | **(347)** | **(520)** | **(337)** | **(292)** |

(1) Includes the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging for the nine month period ended September 30, 2012.

(2) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the nine month period ended September 30, 2011. Includes the capital expenditures of Dopaco for the period from May 2, 2011 to September 30, 2011 and Graham Packaging for the period from September 8, 2011 to September 30, 2011.

(3) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the capital expenditures of Graham Packaging from September 8, 2011 to December 31, 2011 and the capital expenditures of Dopaco from May 2, 2011 to December 31, 2011.

(4) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the capital expenditures of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(5) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

Capital expenditures increased by $94 million, or 27%, to $441 million for the nine month period ended September 30, 2012 compared to $347 million for the nine month period ended September 30, 2011. The increase was primarily related to additional capital expenditures due to the acquisition of Graham Packaging. This increase was partially offset by lower spending at SIG primarily due to China and Brazil expansion in the prior year period and lower spending at Evergreen due to the timing of expenditures and higher spending on planned mill outages in the prior year period.

We expect to incur approximately $650 million in capital expenditures by the end of 2012 (excluding acquisitions) largely to support plant expansions in Brazil, China and Indonesia. We expect to fund these expenditures with cash flows from operations. Actual capital expenditures may differ.

Capital expenditures increased by $183 million, or 54%, to $520 million for the year ended December 31, 2011 compared to $337 million for the year ended December 31, 2010. The increase was primarily related to additional capital expenditures from the Pactiv Acquisition and the Graham Packaging Acquisition as well as higher spending at our SIG segment primarily to expand manufacturing capacity in Brazil and China.

Capital expenditures increased by $45 million or 15% to $337 million for the year ended December 31, 2010 compared to $292 million for the year ended December 31, 2009, largely due to higher spending at the SIG and Closures segments as we expanded manufacturing capacity in Brazil, India, the Philippines and China.

***Capital Resources***

We have substantial debt and debt service obligations. As of September 30, 2012, our total indebtedness of $18,544 million was comprised of outstanding principal borrowings and overdrafts.

We have pledged assets that secure the notes, the Existing Secured Notes and the Senior Secured Credit Facilities. The collateral consists of substantially all the assets of the issuers and the guarantors, including the capital stock of their subsidiaries, real property, bank accounts, investments, receivables, equipment and inventory, intellectual property and insurance policies, but excluding, among others (i) real property with a value equal to or less than 5 million or in which such entity has only a leasehold interest, (ii) a number of Pactiv s real properties, which are estimated to have a book value as of September 30, 2012 of approximately $60 million, (iii) intellectual property with a value of less than 1 million (unless subject to all-asset security documents), (iv) insurance policies that are not material to the RGHL Group as a whole, (v) equity of inactive subsidiaries with a book value of less than $100,000 and (vi) equity of subsidiaries that are not guarantors, are organized in jurisdictions in which no guarantor is organized and have: (x) gross assets below 1% of the consolidated total assets of the RGHL Group and (y) EBITDA below 1% of the consolidated EBITDA of the RGHL Group.

As of September 30, 2012, the Senior Secured Credit Facilities included revolving facilities of $120 million and 80 million ($103 million). As of September 30, 2012, these revolving tranches were utilized in the amounts of $78 million and 15 million ($19 million), respectively, in the form of bank guarantees and letters of credit.

On August 10, 2012, the RGHL Group consummated an exchange offer and consent solicitation for the February 2012 Senior Notes whereby (i) $1,241 million aggregate principal amount of February 2012 Senior Notes was exchanged for a corresponding aggregate principal amount of additional August 2011 Senior Notes, and (ii) a majority of the holders of the February 2012 Senior Notes consented to the removal of certain indenture

restrictions and other provisions with respect to the remaining $9 million aggregate principal amount of February 2012 Senior Notes following the consummation of the exchange offer and consent solicitation.

On September 28, 2012, certain members of the RGHL Group issued $3,250 million aggregate principal amount of the notes. The notes will mature on October 15, 2020. The net proceeds from the offering of the notes were or will be used to repay existing term borrowings under our then-existing senior secured credit facilities, to repay the Dollar 2009 Notes, to pay fees and expenses related to these transactions and for general corporate purposes.

On September 28, 2012, we amended and restated the credit agreement governing our then existing senior secured credit facilities and $2,235 million and  300 million of term loans were drawn under the new Senior Secured Credit Facilities. These proceeds, together with a portion of the proceeds from the offering of the notes and available cash of the RGHL Group, were used to fully repay and extinguish the outstanding U.S. and European term loans under our then existing senior secured credit facilities and to pay fees and expenses in connection with the transaction. The remaining proceeds will be used for general corporate purposes. Certain terms of the credit agreement were amended, including but not limited to: (a) the LIBOR floor on term loans decreased from 1.25% to 1.0% per annum for U.S. term loans and 1.5% to 1.0% per annum for European term loans; (b) the applicable margin on eurocurrency borrowings decreased from 5.25% to 3.75% for U.S. term loans and from 5.25% to 4.00% for European term loans, subject to further reductions if a specified total leverage ratio is met; (c) the covenant regarding the minimum interest coverage ratio was removed; (d) the covenant regarding maximum capital expenditures per annum was removed; (e) debt under a permitted receivables securitization facility will be excluded from the total debt calculation; (f) the non-guarantor threshold limit increased so that non-guarantors can account for up to 33.3% of Consolidated EBITDA or Consolidated Total Assets (the prior threshold was 20%); (g) the leverage maintenance covenant changed to a senior secured first lien ratio and the maximum increased to 4.5x from 4.0x; and (h) other changes.

On September 28, 2012, the RGHL Group repurchased $777 million aggregate principal amount of Dollar 2009 Notes pursuant to a tender offer for the Dollar 2009 Notes. On October 29, 2012, the RGHL Group redeemed the remaining $348 million aggregate principal amount of the Dollar 2009 Notes that were outstanding on September 30, 2012.

On November 7, 2012, certain members of the RGHL Group entered into the Securitization Facility. The amount that can be borrowed is calculated by reference to a funding base determined by the amount of eligible trade receivables of certain members of the RGHL Group. The Securitization Facility matures on November 7, 2017 and bears interest at a floating rate, which on November 7, 2012 was 2.16%. The Securitization Facility is secured by all of the assets of the borrower (including the eligible trade receivables and cash). The terms of the Securitization Facility do not result in the derecognition of the trade receivables by the RGHL Group. Amounts drawn under the Securitization Facility will be presented as current borrowings, as amounts drawn are required to be repaid when the receivables are collected.

On November 13, 2012, the RGHL Group issued a notice of redemption in respect of the  450 million aggregate principal amount outstanding of the Euro 2009 Notes. The proceeds from the Securitization Facility and available cash resources were used to redeem the Euro 2009 Notes and to pay fees and expenses related to the transaction. The Euro 2009 Notes were redeemed on December 13, 2012 at  1,038.75 per  1,000 of face value plus accrued and unpaid interest.

We may from time to time seek to issue additional indebtedness depending on market conditions, our cash position requirements and other considerations.

In addition, we may from time to time take steps to reduce our indebtedness, which may include open market repurchases and retirement of currently outstanding indebtedness. The total amount of indebtedness that will be repurchased or retired will depend on market conditions, our cash position requirements and other considerations.

*Sources of Liquidity*

Our sources of liquidity for the future are expected to be our existing cash resources, cash flows from operations, drawings under the revolving credit facilities of our Senior Secured Credit Facilities and local working capital facilities. In addition to our cash and cash equivalents, as of September 30, 2012, we had $42 million and 65 million ($84 million) available for drawing under our revolving credit facilities.

Our ability to borrow under our revolving credit facilities or our other local working capital facilities may be limited by the terms of such indebtedness or other indebtedness (including the notes and the 2007 Notes), including financial covenants.

As of September 30, 2012, our total indebtedness of $18,544 million was comprised of outstanding principal borrowings and overdrafts. Our 2012 annual cash interest obligations on our Senior Secured Credit Facilities, the notes and our other indebtedness are expected to be approximately $1,430 million, assuming interest on our floating rate debt continues to accrue at the current interest rate. On a pro forma basis after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions, our expected 2012 annual cash interest obligations would have been $1,310 million. We expect to meet our debt service obligations with our existing cash resources and cash flows from operations, which we believe will be adequate to meet our obligations for the next year.

Under the indentures governing the notes, the Existing Notes (excluding the remaining February 2012 Senior Notes following the exchange offer and consent solicitation) and the 2007 Notes, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Indebtedness may be incurred under the incurrence tests if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis and (i) under the indentures that govern the notes and the Existing Senior Secured Notes, the liens securing first lien secured indebtedness do not exceed a 3.50 to 1.00 senior secured leverage ratio and (ii) under the indentures that govern the Existing Senior Notes and the 2007 Notes, the liens securing any secured indebtedness do not exceed a 4.50 to 1.00 secured leverage ratio.

Under the credit agreement governing the Senior Secured Credit Facilities, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of $750 million subject to pro forma compliance with the Senior Secured Credit Facilities financial covenant. In addition, we may incur incremental senior secured indebtedness under the credit agreement governing our Senior Secured Credit Facilities and senior secured notes in an unlimited amount so long as our senior secured first lien leverage ratio does not exceed 3.50 to 1.00 on a pro forma basis and (in the case of incremental senior secured indebtedness under the Senior Secured Credit Facilities only) we are in pro forma compliance with the financial covenant included in the credit agreement governing our Senior Secured Credit Facilities. The incurrence of unsecured indebtedness, including the issuance of senior notes, and unsecured subordinated indebtedness is also permitted subject to pro forma compliance with the Senior Secured Credit Facilities financial covenant.

Under the credit agreement governing the Senior Secured Credit Facilities, we are subject to a maintenance covenant that stipulates a maximum net senior secured first lien leverage ratio. As of the last day of each fiscal quarter, our net senior secured first lien leverage ratio must be less than or equal to 4.50 to 1.00.

As of September 30, 2012, our net senior secured first lien leverage ratio was 3.35x as calculated for purposes of the maintenance covenant under the credit agreement governing the Senior Secured Credit Facilities.

The indentures governing the notes, the Existing Notes (excluding the remaining February 2012 Senior Notes following the exchange offer and consent solicitation) and the 2007 Notes and the credit agreement governing the Senior Secured Credit Facilities also contain negative covenants. The negative covenants include limitations, subject to agreed exceptions, on the ability of RGHL and its material subsidiaries to: incur additional indebtedness (including guarantees); incur liens; enter into sale and lease-back transactions; make investments, loans and advances; implement mergers, consolidations and sales of assets; make restricted payments or enter into restrictive agreements; enter into transactions with affiliates on non-arm s length terms; change the business

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conducted by RGHL and its subsidiaries; prepay, or make redemptions and repurchases of specified indebtedness; amend certain material agreements governing specified indebtedness; make certain amendments to the organizational documents of RGHL and its material subsidiaries; change RGHL s fiscal year; and conduct an active business in the case of RGHL and BP II.

The indentures governing the notes, the Existing Notes and the 2007 Notes and our Senior Secured Credit Facilities generally allow subsidiaries of RGHL to transfer funds in the form of cash dividends, loans or advances within the RGHL Group.

We believe that our cash flows from operations and our existing available cash, together with our other available external financing sources, will be adequate to meet our future liquidity needs for the next year. We are currently in compliance with the covenants under the credit agreement governing our Senior Secured Credit Facilities and our other outstanding indebtedness (including the notes, the Existing Notes and the 2007 Notes). We expect to remain in compliance with our covenants.

We also expect to incur further cash outlays of approximately $1 million by the end of 2012 to integrate Dopaco into the Pactiv Foodservice segment and $39 million by the end of 2013 to integrate Graham Packaging into the RGHL Group.

Our future operating performance and our ability to service or refinance the Senior Secured Credit Facilities, the notes, the Existing Notes and the 2007 Notes and other indebtedness are subject to economic conditions and financial, business and other factors, many of which are beyond our control.

***Contractual Obligations***

The following table summarizes our material obligations as of September 30, 2012:

| | Payments, Due by Period, as of September 30, 2012 | | | | |
|---|---|---|---|---|---|
| | **Total** | **Less than One Year** | **One to Three Years** | **Three to Five Years** | **Greater than Five Years** |
| | | | **(In $ million)** | | |
| Trade and other payables | 1,886 | 1,886 | | | |
| Debt and interest(1) | 27,898 | 1,647 | 2,733 | 4,702 | 18,816 |
| Operating leases | 410 | 105 | 147 | 76 | 82 |
| Unconditional capital expenditure obligations(2) | 143 | 140 | 3 | | |
| **Total contractual obligations** | **30,337** | **3,778** | **2,883** | **4,778** | **18,898** |

(1) Total repayments of financial liabilities consist of the principal amounts, fixed and floating rate interest obligations and the cash flows associated with commodity and other derivative instruments. The interest rate on the floating rate debt balances has been assumed to be the same as the rate during the month of September 2012. Both the one month LIBOR and EURIBOR rates during the month of September 2012 were below the floor rates established in accordance with the respective agreements.

(2) Unconditional capital expenditure obligations primarily relate to (1) the integration of Graham Packaging within the RGHL Group, (2) plant expansions at our SIG segment primarily in Brazil and China and (3) expansions of existing plants at our Graham Packaging segment primarily in North America.

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The following table summarizes our material obligations on a pro forma basis as of September 30, 2012, after giving effect to the finalization of the September 2012 Refinancing Transactions and the November 2012 Refinancing Transactions:

| | Pro Forma Payments, Due by Period, as of September 30, 2012 | | | | |
|---|---|---|---|---|---|
| | Total | Less than One Year | One to Three Years (In $ million) | Three to Five Years | Greater than Five Years |
| Trade and other payables | 1,886 | 1,886 | | | |
| Debt and interest(1) | 27,415 | 1,852 | 2,668 | 4,078 | 18,817 |
| Operating leases | 410 | 105 | 147 | 76 | 82 |
| Unconditional capital expenditure obligations(2) | 143 | 140 | 3 | | |
| **Total contractual obligations** | **29,854** | **3,983** | **2,818** | **4,154** | **18,899** |

(1) Total repayments of financial liabilities consist of the principal amounts, fixed and floating rate interest obligations and the cash flows associated with commodity and other derivative instruments. The interest rate on the floating rate debt balances has been assumed to be the same as the rate during the month of September 2012. Both the one month LIBOR and EURIBOR rates during the month of September 2012 were below the floor rates established in accordance with the respective agreements. Total repayments includes assumed proceeds of $600 million under the Securitization Facility.

(2) Unconditional capital expenditure obligations primarily relate to (1) the integration of Graham Packaging within the RGHL Group, (2) plant expansions at our SIG segment primarily in Brazil and China and (3) expansions of existing plants at our Graham Packaging segment primarily in North America.

***Contingent Liabilities***

Our contingent liabilities are primarily comprised of guarantees given to banks providing credit facilities to our joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

***Off-Balance Sheet Arrangements***

Other than operating leases entered into in the normal course of business, we currently have no material off-balance sheet obligations.

**Qualitative and Quantitative Disclosures about Market Risk**

In the normal course of business we are subject to risks from adverse fluctuations in interest and foreign exchange rates and commodity prices. We manage these risks through a combination of an appropriate mix between variable rate and fixed rate borrowings and natural offsets of foreign currency receipts and payments, supplemented by forward foreign exchange contracts and commodity derivatives. Derivative contracts are not used for trading or speculative purposes. The extent to which we use derivative instruments is dependent upon our access to them in the financial markets and our use of other risk management methods, such as netting exposures for foreign exchange risk and establishing sales arrangements that permit the pass through to customers of changes in commodity prices. Our objective in managing our exposure to market risk is to limit the impact on earnings and cash flow.

***Interest Rate Risk***

We had significant debt commitments outstanding as of September 30, 2012. These on-balance sheet financial instruments, to the extent they accrue interest at variable interest rates, expose us to interest rate risk. Our interest rate risk arises primarily on significant borrowings that are denominated in dollars and euro that are drawn under our Senior Secured Credit Facilities. As of September 30, 2012, these agreements included an interest rate floor of (i) 2% per annum on U.S. revolving loans, (ii) 1% per annum on U.S. term loans, (iii) 2% per annum on European revolving loans and (iv) 1% per annum on European term loans.

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The underlying one-month LIBOR and EURIBOR rates as of September 30, 2012 were 0.21% and 0.12%, respectively. Based on our outstanding debt commitments as of September 30, 2012, a one-year time frame and all other variables, in particular foreign exchange rates, remaining constant, a 1% increase or decrease in interest rates would have no impact on the interest expense on the U.S. or European term loans due to the LIBOR floor under our Senior Secured Credit Facilities.

***Foreign Currency Exchange Rate Risk***

As a result of our international operations, we are exposed to foreign currency exchange risk arising from sales, purchases, assets and borrowings that are denominated in foreign currencies. The currencies in which these transactions primarily are denominated are the euro, Swiss franc, Thai baht, Chinese yuan renminbi, Brazilian real, British pound, Japanese yen, Mexican peso, Canadian dollar, Polish zloty and New Zealand dollar.

In accordance with our treasury policy, we take advantage of natural offsets to the extent possible. Therefore, when commercially feasible, we borrow in the same currencies in which cash flows from operations are generated. Generally we do not use forward exchange contracts to hedge residual foreign currency exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate we may enter into forward exchange contracts to hedge foreign currency exchange risk arising from specific transactions. As of September 30, 2012, we had no significant forward foreign currency exchange contracts outstanding.

We generally do not hedge our exposure to translation gains or losses in respect of our non-dollar functional currency assets or liabilities.

Our primary exposure to foreign currency exchange risk is on the translation of net assets of entities within the RGHL Group which are denominated in functional currencies other than the dollar, which is the RGHL Group s reporting currency. The net asset impact of movements in exchange rates is therefore recognized primarily in other comprehensive income. See note 29 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus, for further information on the RGHL Group s financial assets and liabilities with foreign currency exchange risk, the potential impact on future payments and receipts and the sensitivity to changes in the applicable foreign currency exchange rates.

As of September 30, 2012, we continue to have foreign currency exposure on the net assets of the entities comprising the RGHL Group similar to that disclosed as of December 31, 2011.

We are also exposed to foreign currency exchange risk that impacts the reported financial income or financial expenses of the RGHL Group as a result of the remeasurement, at each reporting date, of indebtedness that is denominated in currencies other than the functional currencies of the respective issuers or borrowers. As of September 30, 2012, we had dollar-denominated external borrowings of $3,272 million owed by entities whose functional currency was the euro, of which $1,950 million was issued on September 28, 2012 as part of the notes. As a result of the changes in the prevailing foreign currency exchange rates since December 31, 2011, we recognized a foreign currency exchange gain of $22 million in connection with such borrowings during the nine month period ended September 30, 2012. The continued change in foreign currency exchange rate between the dollar and the euro will result in us recognizing either foreign currency exchange gains or losses on the translation of this indebtedness in the future. A 1% increase in the rates, applied as of September 30, 2012, would have resulted in additional foreign currency gain of $33 million, while a 1% decrease would have resulted in a reduction of $33 million of the reported foreign currency gain.

In addition, we are also exposed to foreign currency risk on certain intercompany borrowings between certain of our entities with different functional currencies. Such exposures in aggregate are neither significant nor material.

***Commodity Risk***

We are exposed to commodity and other price risk principally from the purchase of resin, natural gas, electricity, raw cartonboard, aluminum and steel. We use various strategies to manage cost exposures on certain

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raw material purchases with the objective of obtaining more predictable costs for these commodities. We generally enter into commodity financial instruments or derivatives to hedge commodity prices related to resin, aluminum and natural gas.

We enter into resin futures and swaps, aluminum swaps, natural gas swaps, ethylene swaps, benzene swaps and diesel swaps to hedge our exposure to price fluctuations. We believe these contracts manage our price risk by reference to the difference between the fixed contract price and the market price. The following table provides the details of our outstanding derivative contracts as of September 30, 2012.

| Type | Unit of measure | Contracted volumes | Contracted price range | Contracted date of maturity |
|---|---|---|---|---|
| Resin futures | metric tonne | 39,000 | 1,420 - 1,587 | Oct 2012 - Jan 2014 |
| Resin swaps | kiloliter | 1,200 | JPY51,800 - JPY51,850 | Oct 2012 - Nov 2012 |
| Resin swaps | pound | 60,105,000 | $0.57 - $0.98 | Oct 2012 - Mar 2013 |
| Aluminum futures | metric tonne | 6,840 | $1,973 - $1,998 | Dec 2012 - Nov 2013 |
| Aluminum swaps | metric tonne | 1,170 | $2,088 - $2,265 | Oct 2012 - Dec 2014 |
| Natural gas swaps | million BTU | 1,289,326 | $2.55 - $4.23 | Oct 2012 - Sep 2013 |
| Ethylene swaps | pound | 10,988,700 | $0.50 - $0.60 | Oct 2012 - Apr 2013 |
| Benzene swaps | U.S. liquid gallon | 204,064,392 | $3.60 - $4.03 | Oct 2012 - Apr 2013 |
| Diesel swaps | U.S. liquid gallon | 9,030,000 | $3.55 - $3.66 | Oct 2012 - Dec 2012 |

The fair values of the derivative contracts are derived from inputs based on quoted market prices or traded exchange market prices and represent the estimated amounts that we would pay or receive to terminate the contracts. As of September 30, 2012, the estimated fair values of the outstanding commodity derivative contracts were a net asset of $2 million. During the nine month period ended September 30, 2012, we recognized a $17 million unrealized gain in other income in the profit or loss component of the statement of comprehensive income related to the outstanding commodity derivatives.

**Accounting Principles**

Our financial statements are prepared in accordance with IFRS and IFRIC Interpretations as issued by the IASB.

**Critical Accounting Policies**

Our critical accounting policies are those that we believe are most important to the presentation of our financial position and results and that require the most difficult, subjective or complex judgments. In many cases, the accounting treatment of a particular transaction is specifically dictated by IFRS with no need for the application of judgment. For more information, see note 4 to the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus. In certain circumstances, however, the preparation of our financial statements in conformity with IFRS requires us to use our judgment to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We believe the policies described below are our most critical accounting policies.

***Accounting for Business Combinations***

*Acquisition of Businesses from Third Parties*

We account for business combinations, where the business is acquired from an unrelated third party, under the acquisition method of accounting, which requires the acquired assets, including separately identifiable intangible assets, and assumed liabilities to be recorded as of the acquisition date at their respective fair values.

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Any excess of the purchase price over the fair value of assets, including separately identifiable intangible assets and liabilities acquired, is allocated to goodwill. Goodwill is allocated to the appropriate segments which benefited from the business combination when the goodwill arose.

The allocation of the purchase price to the fair value of acquired assets and liabilities involves assessments of the expected future cash flows associated with individual assets and liabilities and appropriate discount rates as of the date of the acquisition. Where appropriate, we consult with external advisors to assist with the determination of fair value. For non-observable market values, fair value has been determined using accepted valuation principles (e.g., relief from royalty method). Subsequent changes in our assessments may trigger an impairment loss that would be recognized in the statement of comprehensive income.

Goodwill and acquired indefinite life intangible assets are not amortized. Other acquired intangible assets with finite lives are amortized on a straight line basis over the period of expected benefit. For more information, see note 3.9(e) and (g) to the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

The results of operations for businesses acquired are included in our financial statements from the date of acquisition.

*Acquisition of Businesses from Entities under Common Control*

IFRS is silent on the accounting required for business combinations involving entities that are under common control.

We have chosen to account for business combinations where the business is acquired from an entity that is under the common control of our ultimate shareholder using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities of the business acquired. The excess of the purchase price over the carrying value of the share capital acquired is recognized directly in equity. No additional goodwill is recognized as a result of these transactions.

We account for business combinations under common control prospectively from the date Mr. Graeme Hart, our strategic owner, originally obtained control of each of the businesses presented.

Between January 31, 2007 and August 1, 2007, entities beneficially owned by Mr. Graeme Hart acquired the businesses that now constitute our Evergreen segment in a series of transactions for $618 million. On May 4, 2010, we acquired the equity of the businesses that now constitute our Evergreen segment from these entities for a total purchase price of $1,612 million. The increase in the value of businesses that now constitute our Evergreen segment, between the time of their initial acquisition by entities beneficially owned by Mr. Graeme Hart and the time of their acquisition by the RGHL Group, is primarily attributable to various operational factors that improved financial performance, including the successful integration of two separate businesses; cost reduction initiatives (e.g. plant closures, improved production efficiencies, reduced back-office costs, streamlined costs of procurement, reduced distribution costs and use of derivatives to hedge input costs); improved customer service, which assisted in stabilizing and subsequently improving revenue; and increased investment in the business through additional capital expenditures, new product development and a strengthened, more effective sales force. The improvement in the financial performance of the Evergreen business together with a reduction in Evergreen s indebtedness, resulted in the increased purchase price paid at fair value by the RGHL Group. The purchase price was paid to entities controlled by Mr. Graeme Hart.

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities beneficially owned by Mr. Graeme Hart acquired from Alcoa Inc. the businesses that now constitute our Closures segment, our Reynolds consumer products business and our Reynolds foodservice packaging business for a total purchase price of $2.7 billion. The $2.7 billion purchase price was funded with $1.5 billion of external borrowings which were pushed down into the businesses acquired. Consequently, the fair values of the net assets acquired for our Closures segment, our Reynolds consumer products business and our Reynolds foodservice packaging business were $0.5 billion, $0.6 billion and $0.1 billion, respectively.

On November 5, 2009, we acquired the equity of the businesses that now constitute our Closures segment for a total purchase price of $708 million and our Reynolds consumer products business for a total purchase price of $984 million from these entities. The purchase price was paid to entities controlled by Mr. Graeme Hart. On September 1, 2010, we acquired the equity of the businesses that now constitute our Reynolds foodservice packaging business from these entities for a total purchase price of $342 million. The purchase price was paid to entities controlled by Mr. Graeme Hart. The increase in the value of each of the respective businesses, between the time of their initial acquisition by entities beneficially owned by Mr. Graeme Hart and the time of their acquisition by the RGHL Group, is primarily attributable to various operational factors that improved financial performance, including plant closures and consolidation, improved production efficiencies and reduced back-office costs.

In each case, the difference between the consideration paid to initially acquire the business from a third-party and the consideration paid by the RGHL Group to acquire the same business from entities that are beneficially owned by Mr. Graeme Hart reflects changes in 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 primarily due to the various operational factors that improved financial performance and were further discussed above. Cash payments made by us to acquire these businesses either reduced our available cash or increased the principal amount of our outstanding indebtedness.

***Employee Benefits***

We make contributions to defined benefit pension plans, which define the level of pension benefit an employee will receive on retirement. We operate defined benefit plans in several countries including the United States. We also operate post-employment medical benefit plans in the United States. Amounts recognized under these plans are determined using actuarial methods that require us to make certain assumptions regarding variables such as discount rate, rate of compensation increase, return on assets and future healthcare costs. Where appropriate, we consult with third-party actuaries regarding these assumptions at least annually. Changes in these key assumptions, including the expected rate of return on plan assets and the discount rate, can have a significant impact on our defined benefit obligations, future funding requirements and post-employment benefit costs recognized. While we believe that our assumptions of future returns are reasonable and appropriate, significant differences in actual experience or inaccuracies in assumptions may materially affect our benefit plan obligations and future benefit plan expense. Holding all other assumptions constant, a one-half percentage point increase in the discount rate would decrease the defined benefit obligation by $258 million and increase pre-tax pension income by $7 million. A one-half percentage point decrease in the discount rate would increase the defined benefit obligation by $252 million and decrease pre-tax pension income by $4 million. Similarly, holding all other assumptions constant, a one-half percentage point increase in the expected return on plan assets would increase our pre-tax pension income by $22 million and a one-half percentage point decrease in the expected return on plan assets would decrease our pre-tax pension income by $22 million. For more information, see note 20 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

***Impairment of Goodwill, Intangible Assets, Property, Plant and Equipment and Investment Properties***

We assess the carrying values of goodwill, identifiable intangible assets, property, plant and equipment and investment properties in accordance with IAS 36, Impairments of Assets. Goodwill and intangibles with indefinite useful lives are assessed for impairment at least annually. Other non-current assets are tested when a trigger event may indicate the existence of impairment. If any such indication of impairment exists, the asset s recoverable amount is determined.

The recoverable amount of an asset is the greater of its fair value less costs to sell such an asset and its value in use. In assessing 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. In assessing the fair value less costs to sell, the forecasted future EBITDA to be generated by the asset or segment being assessed is multiplied by earnings multiples that reflect recent sales and purchase transactions in the same industry. We consult with external advisors to assist with the determination of these earnings multiples. Recoverable amount is determined either for the asset or CGU or group of CGUs, depending on the nature of the asset tested for impairment. Goodwill is tested at the individual segment level, which is the lowest level within the RGHL Group at which goodwill is monitored for internal management purposes, and our indefinite lived intangible assets are tested at the segment level or lower level group of CGUs, depending on the nature of the intangible asset. For 2009, 2010 and 2011, the recoverability analysis was based on fair value less costs to sell.

In estimating future cash flows, we make estimates with respect to the useful lives of our assets. Changes in circumstances, including the relative cost efficiency of our production facilities, may cause us to change these estimates from time to time. In addition, because these are estimates, the actual useful life of an asset may be different from our estimate.

As of December 31, 2011 and 2010, we had $17,120 million and $12,082 million, respectively, of goodwill, other intangible assets, property, plant and equipment and investment properties recorded on our statement of financial position. We performed our last annual impairment test for goodwill and intangibles with indefinite useful lives for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments, as of December 31, 2011, and determined that recoverable amounts for these assets were substantially in excess of their carrying values. We did not identify any indicators of impairment as of December 31, 2011. Due to the proximity of the Graham Packaging acquisition date to December 31, 2011 and the fact that there were no impairment indicators, we did not perform the annual impairment test for goodwill and intangibles with indefinite useful lives for Graham Packaging. Upon finalization of purchase accounting and final allocation of goodwill to the Graham Packaging segment, the RGHL Group performed an initial impairment analysis with respect to the carrying value of goodwill for the Graham Packaging segment. As a result of this initial test, which was completed within one year of the anniversary of the acquisition, no impairment charge was identified. For additional information related to our policy, refer to note 4.1 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

***Income Taxes***

We are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. As a result, significant judgment is required in determining our worldwide provision and liability for income taxes. We recognize liabilities for tax issues based on estimates of whether additional taxes will be due and on our interpretation of the relevant tax laws then in effect. In cases where the final outcome of these tax matters is different from the amounts that were initially recorded, the differences impact the current and deferred income tax provision for the period in which the determination is made.

We recognize deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. This is based on estimates of taxable income in each jurisdiction in which we operate and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates in future periods and depending on the tax strategies that we may have been able to implement, changes to the recognition of deferred tax assets could be required, and thus could impact our financial position and results of operations.

***Revenue Recognition***

We recognize revenue from the sale of goods when the risks and rewards of ownership have transferred to customers which occurs either when products are shipped or when they are delivered and/or installed at a customer location. The recognition of revenue is dependent on the terms of the individual arrangements of a sale. 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 or the amount of consumer incentives to be utilized. These incentives include volume rebates and early payment discounts for consumer programs. In addition, in certain of our businesses, we pay slotting fees and participate in customer pricing programs that provide price discounts to the ultimate end-users of our products in the form of redeemable coupons. Estimates for each of these programs are based on historical and current market trends which are affected by the business seasonality and competitiveness of promotional programs being offered. Estimates are reviewed quarterly for possible revisions. The costs for all such programs are accounted for as a reduction in revenues. In the event that future sales deduction trends vary significantly from past or expected trends, reported sales may increase or decrease by a material amount.

***Other***

We have made certain other estimates that, while not involving the same degree of judgment as the estimates described above, are important to understanding our financial statements. These estimates are in the areas of measuring our obligations related to our legal and warranty accruals, restructuring accruals and self-insurance accruals.

**Recently Issued Accounting Pronouncements**

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, 2013, with early adoption permitted. We are currently evaluating the impact of IFRS 9 on our 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 IASB has provided a series of indicators to determine control (replacing the existing hierarchy approach) 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 can be accounted for using either the equity or proportional consolidation method, 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 structure 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 structure entities.

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

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We are currently evaluating the effects of IFRS 10, IFRS 11, IFRS 12 and IFRS 13 on our financial statements.

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 employment plans, while introducing certain other new measurement and disclosure requirements. Under 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 while providing additional guidance on 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 amended standard, the IASB requires an entity to present separately amounts recognized in other comprehensive income that are expected to be reclassified to the profit or loss in the future (even if contingent on future events) from those amounts that would 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 January 1, 2013, with early adoption permitted. We currently account for our defined benefit post-employment plans using the corridor method. We are currently evaluating the effects of the amendment to IAS 1 and IAS 19 on our financial statements.

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# BUSINESS

## Corporate Information

RGHL s executive offices are located at Level Nine, 148 Quay Street, Auckland 1010 New Zealand, and its telephone number is +1 (847) 482-2409. We have appointed National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904 as our agent for service of process.

## History and Development

Reynolds Group Holdings Limited was incorporated under the Companies Act 1993 of New Zealand on May 30, 2006. Reynolds Group Holdings Limited is a holding company that operates through six segments (SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging) that it acquired in a series of transactions. See The Transactions for a description of such acquisition transactions.

## Business Overview

### *Overview*

We are a leading global manufacturer and supplier of consumer beverage and foodservice packaging products. We are one of the largest consumer food, beverage and foodservice packaging companies in the United States, as measured by revenue, with leading market positions in many of our product lines based on management s analysis of industry data. We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging. We sell our products to customers globally, including to a diversified mix of leading multinational companies, large national and regional companies, as well as small local businesses. We primarily serve the consumer food, beverage and foodservice market segments.

For a discussion of financial results by segment for each of the last three financial years, see Operating and Financial Review and Prospects Results of Operations and for a discussion of our capital expenditures for each of the last three financial years, see Operating and Financial Review and Prospects Liquidity and Capital Resources Capital Expenditures.

### *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. We believe SIG holds the number two market position in the global aseptic beverage carton market measured by volume based on our analysis of industry data. Aseptic carton packaging, most prevalent in Europe and Asia, is designed to allow beverages or liquid food to be stored for extended periods of time without refrigeration. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services. SIG has a large global customer base with its largest presence in Europe. The following table shows total segment revenue by geographic region for SIG for each of the years ended December 31, 2011, 2010 and 2009:

| | SIG Revenue by Geographic Region | | |
|---|---|---|---|
| | 2011 | 2010 | 2009 |
| | (In $ million) | | |
| Europe (excluding Germany) | $ 829 | $ 776 | $ 780 |
| Germany | 312 | 313 | 337 |
| Asia (excluding China) | 310 | 270 | 160 |
| China | 249 | 199 | 167 |
| Middle East | 130 | 121 | 96 |
| South America | 117 | 79 | 43 |
| North America | 89 | 88 | 85 |
| **Total** | **$ 2,036** | **$ 1,846** | **$ 1,668** |

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*History*

SIG s predecessor was established in 1853 as a train car manufacturing plant and has since leveraged its manufacturing expertise to other activities. Combibloc, SIG s system business model, was originally established in Düsseldorf, Germany in 1878 as a paper business. Combibloc entered the liquid packaging business in 1929 when its founder, Ferdinand Jagenberg, developed the first leak-proof liquid paper container. In 1975, Combibloc introduced its aseptic carton packaging system, which became its principal business. In 1989, SIG acquired Combibloc. In 2004, SIG began a series of divestitures of non-core assets in the packaging and beverage segments. In 2007, SIG was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the SIG Acquisition. In 2008, SIG divested its remaining beverage division to focus on aseptic filling and barrier technology as its primary business. On May 4, 2010, Whakatane Mill Limited, a wholly-owned indirect subsidiary of SIG Combibloc, purchased the Whakatane paper mill from Carter Holt Harvey Limited, an indirect wholly-owned subsidiary of Rank Group.

*Combibloc Business Model*

SIG s Combibloc business model is based on providing aseptic carton packaging filling machines combined with multi-year aseptic carton supply and service relationships. Aseptic cartons are sold to the customer in the form of a sleeve designed to be used exclusively with SIG s aseptic filling machines.

*Sleeves, Spouts, Caps and Closures*

SIG produces aseptic carton sleeves and spouts, caps and closures for use with its aseptic filling machines. During the filling process the sleeve is opened, sealed at the base, aseptically treated, filled with the aseptically treated beverage or liquid food products and then sealed at the top of the carton.

A key differentiator of SIG s production capability is the broad range of product varieties that can be filled on its systems, in terms of viscosity and particulates. SIG covers a range of markets, including liquid dairy (e.g., milk, cream and soy milk products) and non-carbonated soft drink (*e.g.*, juice, nectar and ice tea). In addition, SIG s aseptic cartons can also be used for liquid food, such as tomato products, soups and broths, sauces, desserts and baby food.

SIG has developed a variety of innovative packaging solutions to help beverage and food manufacturers differentiate their products and generate stronger brand recognition. In the past, SIG s cartons were only produced in the rectangular shape and sold under the Combibloc® trademark, which offered limited potential for manufacturers to differentiate their products. However, SIG s investment in the development of differentiated packaging solutions, sold under the Combifit™ and Combishape® trade names, allows SIG to provide customers with a broad range of solutions. SIG s aseptic filling machines can now fill both the Combibloc and Combifit product lines on the same filling lines.

In recent years, spouts, beverage caps and closures have become a crucial factor in the success of aseptic carton packaging systems as end-consumers demand greater convenience. SIG recognized this trend at an early stage and, in 1993, it was the first company to introduce a reclosable spout for aseptic beverage cartons. This development has resulted in increased demand for products with a reclosable spout. In recent years, SIG has continued to introduce new types of closures that are easy to open, easy to pour and reclosable. SIG also created a range of tear-off package products that require larger package openings.

SIG operates ten aseptic carton manufacturing plants located at seven production sites worldwide, including six in Europe, one in Southeast Asia, one in South America, one in East Asia and one joint venture in the Middle East. SIG also operates the Whakatane paper mill located in New Zealand. SIG s global operations allow for efficient delivery of packaging material to customers.

*Filling Machines and Services*

SIG s aseptic filling machines use its aseptic carton sleeves to produce and fill aseptic carton packaging. SIG s aseptic filling machines are advanced in terms of both speed and efficiency. In addition, they can be reconfigured for numerous different package formats, which provide SIG s customers with increased flexibility in their manufacturing processes. SIG also offers a high level of ongoing services to its customers through its network of service technicians and field service engineers. This is designed to allow SIG s customers to improve the productivity of their aseptic filling machines.

*Customers*

SIG s customer base includes leading international companies, large national and regional companies, as well as small local businesses, with its largest customer presence in Europe. SIG s customer base is stable and diversified, with its top ten customers accounting for 37% of the segment s revenue. No single customer accounted for more than 10% of the segment s revenue in 2011.

*Competition*

The aseptic carton packaging market is consolidated, with SIG being one of only two major participants that provide complete aseptic carton filling systems. However, SIG also faces competition from smaller competitors in the aseptic carton market, including companies that provide aseptic carton sleeves to customers who already own filling machines.

In addition to SIG s direct competitors in the aseptic carton packaging market, SIG also competes with plastic bottling suppliers and suppliers of packaging materials made of other substrates, which in some cases may be substituted for its aseptic carton packaging.

*Marketing and Sales*

SIG s sales and marketing staff coordinate and perform all customer interaction activities, including sales, marketing and technical services. SIG reaches its large and diversified customer base primarily through a direct field sales force of key account managers. SIG s key account managers make regular visits to existing customers to maintain these relationships. They also identify and develop new customer relationships by extending their contact base to include other major purchasers. Compensation of SIG s key account managers is partly performance-based.

SIG s customer service representatives are responsible for processing sales orders, expediting production and liaising with customers on order status. Machine service technicians and field service engineers work closely with key account managers and local marketing staff to satisfy customers needs through the production of high quality, value added products and providing on-time deliveries. SIG s design department includes in-house graphics and design personnel who collaborate with customers to provide specialized printing on aseptic carton packaging to differentiate their brands.

SIG actively supports its sales efforts with market research to identify potential opportunities and market trends across its businesses, and develops promotional materials that highlight SIG s capabilities within specific market segments.

SIG coordinates its marketing and sales efforts in Linnich, Germany, working together with regional teams to ensure consistency in its brand strategy and advertising. SIG aims at harmonizing the sales, marketing and service organizations that run the business within each country while concurrently bundling expert resources at the regional and global level.

*Manufacturing*

SIG s manufacturing primarily consists of assembly of aseptic filling machines and production of aseptic carton sleeves that are used by its machines to create an aseptic carton container for its customers beverage and liquid food products.

Assembly of aseptic filling machines takes place at SIG s manufacturing facilities in Linnich, Germany, Suzhou, China, and Rayong, Thailand. All of SIG s equipment is highly modularized to ensure that different machine types use common parts and components, thereby reducing the cost of material and assembly and the cost of inventory for assembly and spare parts. SIG s operations in Rayong and Suzhou focus on manufacturing machines for the Asian markets, which are smaller size formats. SIG s Linnich facility manufactures the complete range of machines.

SIG produces aseptic carton sleeves at ten manufacturing facilities in seven locations in Linnich and Wittenberg, Germany, Saalfelden, Austria, Rayong, Thailand, Suzhou, China, Curitiba, Brazil and Riyadh, Saudi Arabia. The Riyadh plant is a joint venture between SIG and Obeikan Industrial Investment Group. SIG produces spouts, caps and closures in Neuhausen, Switzerland.

*Raw Materials and Suppliers*

The packaging material for aseptic carton sleeves is composed of a laminate of cartonboard, PE and aluminum. Cartonboard provides stiffness, PE renders packaging liquid-tight and aluminum blocks out light and oxygen. In 2011, the total value of raw materials, including steel and components for SIG s filling machines, was $1,032 million and represented 74% of SIG s total cost of sales, excluding depreciation and amortization.

SIG purchases its raw materials from a number of major European and Asian suppliers. SIG s relations with its suppliers are satisfactory, and SIG has had long-term relationships with many of its large suppliers. In addition, SIG relies on a small number of suppliers for its cartonboard requirements for its aseptic carton packaging business. Specifically, SIG purchases nearly all of its cartonboard requirements from Stora Enso Oyj. SIG has purchased cartonboard from Stora Enso Oyj for several years, generally pursuant to written contracts, but from time to time without a written contract in place. SIG s current contract with Stora Enso Oyj expires on December 31, 2013. In the event that SIG was unable to purchase cartonboard from Stora Enso Oyj for a significant period of time, SIG would attempt to secure such cartonboard from other suppliers, which could lead to interruptions to supply or to higher input costs, which may adversely affect our business and results of operations.

SIG expects to derive vertical integration benefits from the acquisition of the Whakatane paper mill that was completed in May 2010. SIG has an internal supply of paperboard from the Whakatane paper mill, which currently accounts for approximately 3% of SIG s supply of paperboard and we intend to increase this percentage significantly over the next three years.

The prices of SIG s raw materials fluctuate in conjunction with movements in cartonboard, PE and aluminum prices. PE prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions. The price of cartonboard may fluctuate widely due to external conditions such as weather, product scarcity, commodity market fluctuations, currency fluctuations and changes in governmental policies and regulations.

SIG manages its relationships with suppliers through a central supply-procurement system. SIG ensures that it receives a continuous supply of materials using vendor-managed inventory and consignment stocking. With some suppliers, SIG also uses just-in-time deliveries to increase flexibility and medium-term contracts to produce arrangements that are mutually beneficial. SIG reviews supplier developments in regular business review meetings as well as through supplier audits.

*Quality Management*

Meeting customers complex requirements and technical specifications requires a strong commitment to quality and attention to detail. SIG is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management and employees. SIG uses a stringent technique of hazard analysis and critical control points to identify critical aspects of alimentary safety, and Quality Management methods and tools to identify key areas for improvement such as the reduction of waste and downtime.

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*Intellectual Property*

SIG has a significant number of registered patents and trademarks. SIG carefully protects its patents and trademarks on its products and processes and actively defends its intellectual property rights throughout the world. SIG actively monitors its competitors to pursue any infringement of its rights.

SIG s trademark strategy consists of two elements its corporate brand and individual product brands. SIG has registered the SIG corporate brand as a word mark in many countries around the world and as a device in all classes relevant to the packaging sector.

SIG also relies on unpatented proprietary know-how and trade secrets and employs various methods, including confidentiality agreements with employees and consultants to protect SIG. Additionally, SIG has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. SIG attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate SIG s patents are of material importance to SIG s business, SIG believes that its business is not dependent upon any single patent or group of related patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, SIG does not believe that any of its licenses from third parties are material to its business taken as a whole. SIG does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

*New Product Development*

SIG focuses on the main segments of the aseptic carton packaging markets, specifically the liquid dairy and non-carbonated soft drink markets. For these segments, we believe that new product innovation is necessary to be able to maintain existing market positions, grow in emerging regional markets and enter new markets. Development of new opening solutions is mainly driven by cost optimization, opening and pouring performance, better functionality and improvement of system robustness and product integrity. SIG also focuses on output and robustness with respect to improvement of efficiency, cost and reliability of aseptic filling lines. Product quality and integrity, competitive system cost, environmental sustainability, availability of new technologies and SIG s margins are key drivers for the development of new and improved products. SIG incurred research and development costs of $101 million, $87 million and $83 million for the years ended December 31, 2011, 2010 and 2009, respectively.

*Information Technology*

SIG s worldwide information technology organization provides IT services to all of its operations. Additionally, SIG s business locations are supported by regional IT staff. SIG uses SAP enterprise resource planning applications to support nearly all processes within its organization and also integrates other applications such as computer aided design/manufacturing and product data-capturing applications into SAP. SIG s SAP systems are consolidated and operate from one data center in Linnich, Germany secured by an additional backup data center.

*Employees*

As of December 31, 2011, SIG employed approximately 4,900 people. A significant number of SIG s employees are covered by collective labor agreements, including agreements with Verdi and IG Metall at SIG s plants in Germany. SIG has had no history of significant industrial disruption or strikes among its employees in any of its jurisdictions. We believe SIG s relationships with its employees and labor unions are satisfactory.

SIG has established a pension fund in Switzerland providing benefits according to a defined benefit plan. In other countries, pension plans have also been established as defined benefit plans, which are mainly unfunded.

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*Insurance*

SIG maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe that SIG s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

*Regulatory*

SIG s business is subject to regulation applicable to SIG as well as to its customers in virtually every country where it has operations. Future regulatory and legislative change can affect the economics of its business activities, lead to changes in operating practices and influence the demand for and the cost of providing services to its customers. SIG has adopted compliance programs and procedures designed to attempt to ensure compliance with applicable laws and regulations. These programs and procedures are generally effective. Because of the complexity of these laws and regulations and the global scope of business, compliance cannot be guaranteed.

SIG is subject to extensive laws and regulations in the jurisdictions in which it operates, including environmental, health and safety laws and regulations. Among other things, these requirements regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of SIG s employees, regulate the materials used in and the recycling of products, and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances.

SIG could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of SIG s sites have a history of industrial operations that include the use or handling of hazardous materials. While SIG is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. SIG also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including investigation or regulation of the potential health hazards of SIG s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on SIG s business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulations, such as those related to greenhouse gas emissions and the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change, which could negatively affect SIG. These initiatives may cause SIG to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from SIG s suppliers, customers, or both incurring additional compliance costs that could get passed through to SIG or impact product demand.

*Legal Proceedings*

SIG is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to SIG s financial position, results of operations or cash flows.

***Evergreen***

Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. We believe Evergreen holds the number one market position for fresh beverage cartons and fresh liquid packaging board in the global and North American markets measured by tons of fresh liquid packaging board, based on our analysis of industry data. Fresh carton packaging, most predominant in North America, is designed for beverages that require a cold-chain distribution system, and

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therefore have a more limited shelf life than beverages in aseptic carton packaging. 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 fresh beverage carton manufacturers. Evergreen also produces paper products, including coated groundwood primarily for catalogs, inserts, magazine and commercial printing, as well as uncoated freesheet primarily for envelope, specialty and offset printing paper. Evergreen has a large customer base and operates primarily in North America. The following tables show total segment revenue by product group and revenue by geographic region for Evergreen for each of the years ended December 31, 2011, 2010 and 2009:

| | Evergreen Revenue by Product Group | | |
|---|---|---|---|
| | 2011 | 2010 | 2009 |
| | (In $ million) | | |
| Cartons | $ 775 | $ 755 | $ 757 |
| Liquid Packaging Board | 441 | 416 | 336 |
| Paper Products | 387 | 412 | 336 |
| **Total** | **$ 1,603** | **$ 1,583** | **$ 1,429** |

| | Evergreen Revenue by Geographic Region | | |
|---|---|---|---|
| | 2011 | 2010 | 2009 |
| | (In $ million) | | |
| North America | $ 1,178 | $ 1,206 | $ 1,086 |
| Asia | 199 | 187 | 171 |
| Latin America | 141 | 110 | 100 |
| Europe | 67 | 58 | 29 |
| Other | 18 | 22 | 43 |
| **Total** | **$ 1,603** | **$ 1,583** | **$ 1,429** |

*History*

Evergreen s predecessor was established in 1946 when International Paper, or IP, entered the beverage packaging business by acquiring Single Service, Inc. Over the years, the business was responsible for many breakthroughs in beverage carton packaging, including the introduction of PE coated cartons and barrier board technology. In January 2007, IP s Bev Pack Business was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the Initial Evergreen Acquisition. IP s Bev Pack Business included fresh beverage converting facilities, a fresh filling machine manufacturing facility and the Pine Bluff, Arkansas mill. Subsequent to the Initial Evergreen Acquisition, the business was renamed Evergreen. In July 2007, Blue Ridge Paper Products, Inc., or Blue Ridge, was acquired by Evergreen. Blue Ridge was an independent manufacturer of beverage packaging products. The Blue Ridge business included fresh beverage converting facilities and the Canton, North Carolina mill.

*Total Packaging Solution*

Evergreen employs a business model that we refer to as Total Packaging Solution, which is based on providing Evergreen s customers with a single source for all of their fresh beverage carton packaging requirements. Fresh carton sleeves can be used with Evergreen s fresh filling machines, as well as other fresh filling machines. Carton sales represented 48% of Evergreen s revenue in 2011 and are sold under multi-year and shorter term contracts. These contracts have historically provided visibility into and predictability of Evergreen s future revenue.

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*Fresh Carton Sleeves, Spouts, Caps, Closures and Filling Machines*

Evergreen produces and sells fresh carton sleeves and supplies spouts, caps and closures. During the filling process, the sleeve is opened, sealed at the base, filled with the beverage products and then sealed at the top of the carton.

Fresh carton sleeves can be used for a variety of beverages including liquid dairy drinks, such as regular and flavored milk, and non-carbonated soft drinks, such as fresh juice, fruit-based drinks and iced tea. Fresh cartons are also used for food items, such as liquid eggs, and for non-food items, such as liquid detergents and softeners.

Evergreen has developed a variety of packaging solutions to help beverage manufacturers differentiate their products and generate stronger brand recognition. Evergreen s barrier board technology allows its customers to achieve longer shelf life for their products as well as protect against the loss of vitamins and other nutrients. Furthermore, the application of high-definition, multi-color, printed designs to the cartons gives customers the ability to differentiate their products.

Evergreen s fresh filling machines use fresh carton sleeves to produce and fill fresh carton packaging. Evergreen offers its customers a variety of filling machine models with different capabilities, which can be reconfigured for different package volumes, providing its customers with flexibility in their manufacturing processes. Evergreen s fresh filling machines may be sold or leased directly to customers or sold to a third-party finance company, which then leases the filling machines to customers.

*Liquid Packaging Board*

The production of liquid packaging board at Evergreen s mills in Pine Bluff, Arkansas and Canton, North Carolina allows Evergreen to be a vertically integrated producer of fresh cartons. Evergreen s Pine Bluff and Canton mills produce multiple grades of liquid packaging board, both PE coated and uncoated, for fresh cartons. Evergreen s liquid packaging board products can be broadly grouped into three categories: PE coated liquid packaging board, or PE coated board, PE coated / co-extruded liquid packaging board, or barrier board, and uncoated liquid packaging board, or uncoated board. In addition, Evergreen s mill in Canton produces cupstock for the manufacture of hot and cold cups as well as ovenable trays for the frozen food market as an alternative to plastic trays.

*Other Paper Products*

Evergreen also offers a range of paper products, including coated groundwood, which is used in catalogs, magazine and inserts, and commercial printing as well as uncoated freesheet primarily for envelope, specialty and offset printing paper.

*Customers*

Evergreen s customer base includes leading international companies, large national and regional customers and smaller local businesses, with its largest presence in North America. Many of Evergreen s customer sales contracts are index based allowing for pass-through of input cost movements on a quarterly to annual basis. In 2011, Evergreen s top ten customers accounted for 40% of the segment s gross revenue, and no single customer accounted for more than 10% of the segment s gross revenue.

The Pine Bluff and Canton mills aggregate liquid packaging board production is used by Evergreen s fresh carton packaging business and is also sold to external fresh carton converting customers, with whom Evergreen generally has long-standing relationships. In addition, Evergreen sells liquid packaging board to other customers, who produce ovenable trays and cupstock.

Evergreen s coated groundwood customers consist primarily of catalog and magazine publishers. Evergreen s uncoated freesheet customers consist primarily of envelope converters, specialty paper producers and commercial printers. Evergreen sells both directly and through paper brokers in the coated groundwood and uncoated freesheet markets.

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*Competition*

The fresh carton market is fairly consolidated. We believe Evergreen is the only major market participant that provides vertically integrated liquid packaging board as well as complete fresh carton packaging systems consisting of cartons, filling machines and spouts. We believe Evergreen is the largest participant in the fresh carton packaging market measured by volume globally and in North America based on our analysis of industry data.

Furthermore, we believe Evergreen is the largest producer of liquid packaging board for fresh cartons globally and in North America based on our analysis of industry data. Evergreen is a relatively small producer of coated groundwood within a concentrated North American coated papers market. Evergreen is also a small producer of uncoated freesheet within a concentrated market.

*Marketing and Sales*

Evergreen s sales and marketing staff coordinates and performs all customer interaction activities, including sales, marketing and technical services. Evergreen reaches its large and diversified customer base primarily through a direct field sales force.

Evergreen s customer service representatives are responsible for processing sales orders, expediting production and liaising with customers on order status. Machine service technicians, paper technicians and field service engineers work closely with key account managers to satisfy customers needs.

Evergreen has a marketing and new product development team focused on leveraging its Total Packaging Solution model and creating new, value added products in current and adjacent markets.

Evergreen s product innovation aims to deliver new packaging products for both customers and end-use consumers, and to generate a percentage of future revenue from new products. The innovation process follows a traditional stage gate development process. One of Evergreen s primary competitive advantages in fiber based cartons is offering a total system solution from board manufacture to efficient filling machines. Therefore, new carton product design teams include expertise from equipment, converting, the mills, and often closures. A key focus for innovation is leveraging leading board and barrier technologies to adjacent markets liquid eggs and fabric softener are two examples.

*Manufacturing*

Evergreen operates two integrated pulp and paper mills in North America and 14 sleeve production plants globally, including seven in the United States, three in Asia, one in Latin America and two in the Middle East. Evergreen s manufacturing operations primarily consist of production of paper and packaging cartonboard, manufacturing and assembly of filling machines and parts and production of fresh carton sleeves that are used with its machines to create fresh carton containers for its customers beverage products. Fresh carton sleeves are also shipped to Evergreen s customers for filling.

*Fresh Carton Sleeves, Spouts, Caps, Closures and Filling Machines*

Evergreen produces fresh carton sleeves at seven locations in North America and seven locations internationally. Evergreen outsources to Closures and to external manufacturers its production of spouts, caps and closures, which are manufactured to Evergreen s design and specifications. Evergreen has exclusive supply contracts with Closures and external manufacturers.

Manufacture and assembly of fresh filling machines takes place at Evergreen s manufacturing facilities in Cedar Rapids, Iowa, and Shanghai, China. Evergreen s filling machines are mainly utilized to fill cartons of non-carbonated soft drinks, such as juice and juice drinks, and liquid dairy products. Evergreen both manufactures and outsources components used in the production of its fresh filling machines. The majority of Evergreen s manufacturing suppliers are located near the Cedar Rapids facility. In addition, Evergreen sources some components from China.

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*Mills*

Evergreen s mills are vertically integrated pulp and paper manufacturing facilities that have their own power generation plant, bleached hardwood and softwood kraft pulp lines and extrusion capabilities. The Pine Bluff mill houses one liquid packaging board machine and one coated groundwood machine. In addition, the Pine Bluff mill has a groundwood pulp line to supply the coated groundwood machine. The Canton mill houses one liquid packaging board machine and three uncoated freesheet machines.

*Raw Materials and Suppliers*

In 2011, the total value of raw materials consumed by Evergreen was $604 million and represented 46% of Evergreen s total cost of sales, excluding depreciation and amortization.

Evergreen internally sources its liquid packaging board requirements from its paper mills in Pine Bluff and Canton. To produce cartonboard at its mills, Evergreen sources wood and resin from a variety of North American suppliers. Evergreen s relationships with its suppliers are satisfactory.

The prices of Evergreen s raw materials fluctuate in conjunction with market movements in commodities. Raw wood and wood chips are typically purchased from sources close to the mills, and as a result, prices are established based on local conditions. Potential price fluctuations can occur due to poor weather conditions or insect infestation, but are infrequent due to the techniques and practices of lumber extractors. Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. In order to minimize the impact of price fluctuations, Evergreen uses price hedging arrangements for purchases of energy and single and multi-year agreements, defined as longer than one year, that provide for fixed prices or prices that escalate based on inflation or published index movements.

Evergreen manages its relationships with suppliers through a central supply-procurement system. It ensures that it receives a continuous supply of materials using vendor-managed inventory and consignment stocking. Evergreen reviews supplier developments in regular business review meetings.

*Quality Management*

Meeting customers complex requirements and technical specifications requires a strong commitment to quality and attention to detail. Evergreen is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management, customers, and employees. Evergreen uses a stringent technique of hazard analysis and critical control points to identify critical aspects of quality management, as well as methods and tools to identify key areas for improvement that result in a reduction of waste and downtime, at all of Evergreen s facilities and those of its customers.

*Intellectual Property*

Evergreen has a portfolio of several hundred registered patents and registered trademarks. Evergreen uses internal and external resources to manage its intellectual property portfolio and actively defends its intellectual property rights throughout the world.

Evergreen also relies on unpatented proprietary know-how and trade secrets and employs various methods including confidentiality agreements with employees and consultants to protect its intellectual property. Additionally, Evergreen has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. Evergreen attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate Evergreen s patents are of material importance to Evergreen s business, Evergreen believes that its business is not dependent upon any single patent or group of related patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Evergreen does not believe that any of its licenses from third parties are material to its business taken as a whole. Evergreen does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

*Information Technology*

Evergreen s worldwide information technology organization provides IT services to all of its businesses. Evergreen uses SAP enterprise resource planning applications to support nearly all processes within its organization and also integrates other purchased and custom developed applications. Evergreen s SAP systems are consolidated and operate from one data center in a location secured by an additional backup data center.

*Employees*

As of December 31, 2011, Evergreen employed approximately 4,100 people. A significant number of Evergreen s employees are covered by collective labor agreements. Recently, Evergreen successfully concluded labor negotiations with the unions at a number of its manufacturing facilities. We believe Evergreen s relationships with its employees and labor unions are satisfactory.

*Insurance*

Evergreen maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe Evergreen s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

*Regulatory*

Evergreen s business, including its customers, is subject to regulation in virtually every country in which it has operations. Future regulatory and legislative change can affect the economics of its business activities, lead to changes in operating practices and influence the demand for and the cost of providing services to its customers. Evergreen has adopted compliance programs and procedures designed to achieve compliance with applicable laws and regulations. These programs and procedures are generally effective. However, because of the complexity of these laws and regulations, variance in production inputs and efficiencies, and the global scope of business, compliance cannot be guaranteed.

Evergreen is subject to extensive laws and regulations in the jurisdictions in which it operates, including environmental, health and safety laws and regulations. Among other things, these requirements regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of Evergreen s employees, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances.

Evergreen could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of Evergreen s sites, such as the Canton and Pine Bluff mills, have a history of industrial operations that include the use or handling of hazardous materials. While we are not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of investigation or cleanup obligations at these or other sites in the future could result in substantial liability. In addition, while indemnities relating to certain environmental matters were provided by prior owners under certain asset purchase agreements, some of the indemnities are limited in duration and scope.

Evergreen also could incur fines, penalties and sanctions and damages from third-party claims for property damage, personal injury or nuisance as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials, such as in connection with wastewater released to the Pigeon River from the Canton mill. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including additional financial assurance or environmental permit requirements or investigation or regulation of the potential health hazards of certain of Evergreen s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on Evergreen s business, financial condition or results of operations.

Evergreen has been addressing issues associated with its wastewater discharges from the Canton mill. In May 2010, North Carolina environmental regulators issued a revised wastewater discharge permit, with a five-year term beginning July 1, 2010, that addressed EPA concerns regarding water color and temperature. In June 2010, North Carolina environmental regulators issued a revised color variance to the permit. In July 2010, the Southern Environmental Law Center, acting on behalf of various parties, filed challenges to the permit in the North Carolina Office of Administrative Hearings; in August 2010, it also contested the color variance. Evergreen intervened in these proceedings and, in January 2011, the cases were consolidated.

In April 2012, the parties entered into a Partial Settlement Agreement and Joint Stipulation to Stay (the Wastewater Settlement ). Under the terms of the Wastewater Settlement, North Carolina regulators agreed, subject to EPA approval, to lower temperature limits in Evergreen s wastewater discharge permit. Evergreen agreed to prepare an updated study of the Pigeon River prior to 2014 and to fund a study of color in the Pigeon River prior to 2013. The petitioners agreed to dismiss their claims relating to temperature limits and to stay the proceedings with respect to color limits while Evergreen conducts its color study. The Wastewater Settlement is not expected to have a material adverse effect on Evergreen s business, financial condition or results of operations.

In addition, in 2009, North Carolina issued an emergency change in the maximum arsenic ambient air level, which effectively allowed the state to reopen limits established in existing air permits. The biomass boiler at the Canton mill, which is partially fueled by coal, did not comply with the new level. In January 2011, Evergreen signed a Special Order by Consent issued by the North Carolina regulatory authorities, which requires Evergreen to take certain actions to bring the biomass boiler into compliance with the new arsenic level, and may require it to make certain upgrades to the boiler. However, state regulators are deferring further action on this issue until the state Science Advisory Board determines the appropriate level for arsenic.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulations, which could negatively affect Evergreen. For example, the United States Congress has considered legislation to reduce emissions of carbon dioxide and other greenhouse gases. Similarly, the EPA is regulating certain greenhouse gas emissions under the federal Clean Air Act. These and other climate change initiatives may cause Evergreen to incur additional direct costs in complying with any new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from Evergreen s suppliers, customers, or both incurring additional compliance costs that could get passed through to Evergreen or impact product demand. In addition, the EPA is also continuing the development of other new standards and programs that may be applicable to our operations. For example, the EPA has issued but is currently reconsidering regulations under the Clean Air Act governing emissions from industrial boilers. These or other rules promulgated in the future could result in additional material costs to Evergreen, including costs necessary to upgrade or replace its boilers.

*Legal Proceedings*

Evergreen is a party to various litigation matters, including with respect to environmental matters, arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation and environmental matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Evergreen s financial position, results of operations or cash flows.

***Closures***

Closures is a leading manufacturer of plastic beverage caps and closures, primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market. We estimate Closures holds the number one market position in the global plastic beverage caps and closures market measured by volume based on our analysis of industry data. Closures products also serve the liquid dairy, food, beer and liquor, pharmaceutical and automotive fluid markets. In addition to supplying plastic caps and closures, Closures also offers high speed rotary capping equipment, which secures caps on a variety of packaging, and related services. Closures has a large global customer base with its largest presence in North America. The following tables show total segment revenue by product group and revenue by geographic region for Closures for each of the years ended December 31, 2011, 2010 and 2009:

| | Closures Revenue by Product Group | | |
|---|---|---|---|
| | 2011 | 2010 | 2009 |
| | (In $ million) | | |
| Plastic Closures | $ 1,165 | $ 992 | $ 833 |
| Metal Closures | 118 | 117 | 98 |
| Capping Equipment | 46 | 65 | 49 |
| **Total** | **$ 1,329** | **$ 1,174** | **$ 980** |

| | Closures Revenue by Geographic Region | | |
|---|---|---|---|
| | 2011 | 2010 | 2009 |
| | (In $ million) | | |
| North America | $ 556 | $ 472 | $ 363 |
| Asia | 273 | 233 | 206 |
| Europe | 244 | 218 | 196 |
| South America | 222 | 212 | 176 |
| Other | 34 | 39 | 39 |
| **Total** | **$ 1,329** | **$ 1,174** | **$ 980** |

*History*

Closures has been supplying caps and closures since its inception in the 1930s as part of Alcoa s packaging business. Closures started developing aluminum closures primarily for the food industry and continued to develop its manufacturing capabilities through the 1940s and 1950s. In the 1960s, Closures introduced the first resealable aluminum roll-on closure for the beer and soft drink industries. In 1986, Closures acquired H-C Industries, which had developed a patented compression molding process to make plastic closures for carbonated soft drinks. Throughout the 1990s and 2000s, Closures continued to develop innovative closure solutions such as spout fitments for gable top juice containers and hot-fill closures for sports drinks, and entered the European and Asian markets during this period. In 2008, Closures was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition. On February 1, 2010, Closures purchased Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. The acquired company was renamed Closure Systems International Americas, Inc.

*Global Packaging Solution*

Closures employs a business model, which we refer to as the Global Packaging Solution, through which it provides effective and complete closure solutions to its customers. As the only major global provider of beverage caps and closures as well as high speed rotary capping equipment and related services, we believe this model differentiates Closures from its competitors and positions it as a supplier of choice for customers throughout the world. Closures operations are strategically located in geographic proximity to its customers and are focused on providing innovative closure solutions, quality products, capping equipment and services to its customers, designed to reduce their overall cost of operations. Beverage caps and closures are sold mostly under multi-year contracts, defined as longer than one year. Many of Closures customers have been customers for over 20 years. Closures strong client relationships, high contract renewal rates and longstanding customer relationships historically have provided visibility into future revenue.

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*Caps and Closures*

Closures caps and closures can be used for a variety of beverages, including carbonated soft drinks, non-carbonated soft drinks, bottled water, juices and sports drinks, which are primarily filled in PET containers and require a plastic closure. In addition, Closures caps and closures can also be applied to seal high density polyethylene containers or glass containers as required by the customer. Closures has also been able to take advantage of the increasing use of plastic caps and closures in the food, dairy and alcoholic beverages categories. Closures customer relationships have enabled it to expand its core beverage caps and closures product offering through the development of higher margin, customized closure solutions. Closures caps and closures are sold mostly under multi-year contracts.

In 2007, Closures introduced the mini-closures platform of products in all of its major markets, except Japan. The mini-closures provide Closures customers with reduced packaging costs, increased sealing technologies, seal integrity and easy-open convenience.

*Capping Equipment and Services*

Closures is a global leader in beverage capping equipment. In addition, Closures can provide customized cap handling and application systems specifically tailored to customer needs. Closures builds capping machinery for a wide range of cap and closure applications, and production and process environments, offering innovative system solutions for cold-fill, hot-fill and aseptic-fill applications. These products and services are designed to deliver a comprehensive system of customer value and reliability.

In addition to the original capping systems equipment, Closures also supplies its customers with replacement parts through its global spare parts network and online store, as well as technical service through a team of technicians strategically located in geographic proximity to its customers. This is designed to allow Closures customers to improve the productivity of their capping machines, which may result in increased caps and closures sales. Closures capping machinery is typically sold directly to the end-use customer.

Closures provides capping machine services both before and after a capping machine placement to help customers improve productivity. These services include retooling programs, quick-change capping conversion, training services, troubleshooting and machine upgrades, on-site capping inspections and line efficiency improvements.

The business is supported by regionally based technical services professionals worldwide, strategically located in geographical proximity to Closures customers. Closures emphasis on service leads to strong customer loyalty and generates results by ensuring optimal capping machine efficiency, which may drive cap and closure demand and provide Closures with a competitive advantage.

*Customers*

Closures customer base includes leading international companies as well as large national and regional companies primarily in the beverage and consumer product industries. Where appropriate, Closures manages its customer relationships with large beverage companies at both the parent company and the local bottler levels. This approach allows Closures to foster relationships at the various purchasing decision points, thereby minimizing its exposure to any one particular contract and enabling it to understand the developing requirements of beverage customers. In 2011, Closures top ten customers accounted for 25% of the segment s gross revenue and no single customer accounted for more than 10% of the segment s gross revenue.

The majority of Closures revenue is derived from multi-year contracts. Many of Closures customer sales contracts contain price adjustments based on changes in resin prices which allows Closures to pass through varying degrees of the changes in resin prices to its customers. Where possible, Closures seeks to stagger the expiration dates of its contracts to avoid the need to renew several large contracts at the same time.

*Competition*

The global caps and closures market is highly fragmented, with Closures being one of a few global participants. Most other competitors are either local or regional companies primarily supplying only one region of the world. In addition, we believe that Closures is the largest plastic beverage caps and closures producer worldwide measured by volume based on our analysis of industry data. We believe Closures has the number one global market position by volume in plastic beverage caps and closures overall as well as the number one global market position in beverage caps and closures by volume for the carbonated soft drink segment based on our analysis of industry data. We believe Closures benefits from its proximity to clients, stringent product specifications demanded by its multinational client base, high upfront investment costs and its ability to provide integrated closure system solutions. Closures also offers strong product design capabilities, leading technology innovation, speed of product delivery, value-added features and cost competitiveness, all of which are differentiating factors in the caps and closures market.

*Marketing and Sales*

Closures reaches its customer base primarily through a direct field sales organization. Closures sales teams are principally organized by region and are supported by global marketing teams that are focused on each of its key market segments such as carbonated soft drink, non-carbonated soft drink, bottled water and liquid food. Each of the marketing teams also has dedicated project management and product design members to further synchronize project and client needs.

We believe Closures is the only global supplier of a completely integrated closures solution by offering both caps and closures and capping equipment. This provides a strategic advantage for Closures as both its sales professionals and service technicians have the ability to solicit real-time feedback and provide Closures with unique insight on global cap and closure operations, consumer trends and competitor products. We believe this flow of shared knowledge between equipment sales, cap and closure sales and equipment service personnel helps Closures effectively develop and manufacture high quality, innovative products that meet the needs of its customers.

*Manufacturing*

Closures is headquartered in Indianapolis, Indiana, and operates 32 manufacturing locations worldwide.

*Caps and Closures*

Closures manufactures caps and closures at 30 of its 32 manufacturing facilities globally. Closures global operations enable it to effectively service its broad global customer base and provide a competitive advantage relative to smaller regional suppliers. These facilities manufacture caps and closures utilizing Closures patented compression molding technology, as well as injection molding and metal stamping processes. Closures manufactures its own proprietary compression molding equipment, which is a key competitive advantage as it allows Closures to quickly increase manufacturing capacity as demand grows. Using this technology, Closures manufactures a broad range of sealing solutions such as molded in-shell liners, disc liners, induction and conduction seals as well as tamper evidence bands.

*Capping Equipment*

Closures capping equipment is manufactured globally at locations in Germany, Japan, China and the U.S. Equipment produced in Germany is primarily supplied to Europe, Africa, the Middle East and some countries in Asia, while equipment made in Japan is primarily sold in Japan, China and other Asian countries. Equipment manufactured in China is sold only in China. U.S. manufactured equipment is primarily sold in North, South and Central America. Maintaining global platforms for base equipment designs and having multiple manufacturing locations ensures that Closures can provide the right product features for the local market needs anywhere in the world regardless of the filling process that the customer is using.

*Raw Materials and Suppliers*

Closures principal raw materials are resin and metal. In 2011, the total value of raw materials purchased by Closures was $689 million, with the majority of raw materials being plastic resin. Total raw materials represented 65% of Closures total cost of sales, excluding depreciation and amortization in 2011.

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Closures centralized purchasing function enables it to leverage its global purchasing power and reduce dependence on any one supplier. Closures also maintains local purchasing representation at most manufacturing facilities to take advantage of low cost local suppliers and reduced transportation costs. Closures sources its raw materials from a variety of high quality, dependable suppliers and maintains multiple suppliers for each input. Closures typically has one year contracts with all key resin, colorant and aluminum suppliers, providing a steady supply of raw materials. We believe that the pricing terms under these contracts are consistent with the terms available in the market, and Closures has not historically experienced any significant interruptions of key raw material supplies.

Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. To mitigate the volatility of resin prices, the majority by volume of Closures customer sales contracts contain price adjustments based on changes in resin prices which allows Closures to pass through varying degrees of the changes in resin prices to its customers. In certain instances, Closures has also been able to negotiate raw material price adjustments with customers not subject to these clauses.

Closures considers its relationships with its suppliers to be satisfactory and has relationships spanning more than ten years with a majority of its top suppliers.

*Quality Management*

Meeting customers complex requirements and technical specifications requires a strong commitment to quality, customer service, process controls and reliability. Closures maintains technology centers in the U.S., Europe, Japan, China and South America that are focused on product engineering, testing and design. In addition, we believe Closures has unique testing capabilities through its laboratories located around the world that are fully accredited by major global beverage manufacturers. Closures also uses pilot bottling line equipment to simulate customer filling and capping operations in order to facilitate real world product testing prior to customer line trials. This provides a key advantage for Closures as large customers can leverage Closures testing capabilities and avoid the need to perform their own independent product testing.

Closures production facilities employ efficient, technologically advanced manufacturing capabilities. In addition, each facility offers reliable customer service, timely delivery and quality performance.

*Intellectual Property*

Closures has hundreds of registered patents and registered trademarks which, along with trade secrets and manufacturing know-how, help support Closures ability to add value within its market and sustain its competitive advantages. Closures carefully monitors its patents and trademarks on its products and processes and defends its intellectual property rights throughout the world. Closures invests a considerable amount of resources in developing its proprietary products and manufacturing capabilities and employs various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect its intellectual property. Additionally, Closures has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. Closures attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate Closures patents are of material importance to Closures business, Closures believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Closures does not believe that any of its licenses from third parties are material to its business taken as a whole. Closures does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

*New Product Development*

New product innovation is a key component of Closures core growth strategy. Closures new product development process is based on a fundamental understanding of the interactions between product design, materials of construction, and manufacturing and application processes. Key trends driving new product development include cost reduction, product integrity preservation, tamper evidence enhancement, increased brand equity and promotion and consumer functionality. As an example, Closures mini-closure platform of products, which significantly reduces raw material costs without sacrificing product performance, has been introduced in all but one of its major markets. In addition, Closures has been a leading innovator in the development of tamper evidence beverage caps and closures and has launched new closures with enhanced tamper evidence. Furthermore, Closures has been a leading innovator in the development of one piece beverage closures, which provide customers with an alternative high performance design that can be manufactured in one resin material, while retaining similar performance characteristics to closures using two materials. Closures incurred research and development costs of $14 million, $13 million and $11 million for the years ended December 31, 2011, 2010 and 2009, respectively.

*Information Technology*

Closures facilities utilize a variety of information systems. Over the last few years Closures has migrated many of its major locations and regions to Oracle EBS which provides the backbone for financial, manufacturing and commercial transactions and reporting. At the present time, Closures shares an Oracle EBS information systems platform with the Reynolds consumer products and Reynolds foodservice packaging businesses. The locations on Oracle EBS use several of the system s core business functionalities such as Order to Cash, Requisition to Pay, Shop Floor Manufacturing and General Ledger.

*Employees*

As of December 31, 2011, Closures employed approximately 3,300 people. A small number of employees at its Randolph, New York facility are members of a labor union. A significant portion of Closures employees in Japan are members of a labor union. In addition, many of Closures employees in Europe are represented by works councils. Closures has not experienced any significant union related work stoppages over the last 20 years, and it considers its relationship with its employees and labor unions to be satisfactory.

*Insurance*

Closures maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe that Closures insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

*Regulatory*

Closures operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of its employees, regulate the materials used in, and the recycling of, products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. Closures could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of Closures sites have a history of industrial operations that include the use or handling of hazardous materials. While Closures is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. Closures also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the existence of other environmental liabilities in the future, including additional permit requirements or investigation of the potential health hazards of certain of Closures products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on its business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Closures. For example, the U.S. Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These initiatives may cause Closures to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from its suppliers, customers, or both incurring additional compliance costs that could get passed through to Closures or impact product demand.

*Legal Proceedings*

Closures is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Closures financial position, results of operations or cash flows.

***Reynolds Consumer Products***

Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as aluminum foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. We estimate that Reynolds Consumer Products holds the number one or two market position in many of the categories in which it competes based on our analysis of industry data. These products are typically used by consumers in their homes and are sold through a variety of retailers, including grocery stores, mass-merchandisers, warehouse clubs, drug stores, discount chains and military channels. Reynolds Consumer Products sells many of its products under well known brands such as Reynolds and Hefty, and also offers store branded products. Reynolds Consumer Products has a large customer base and operates primarily in North America.

The following tables show total segment revenue by product group and revenue by geographic region for Reynolds Consumer Products for each of the years ended December 31, 2011, 2010 and 2009:

| | Reynolds Consumer Products Revenue by Product Group | | |
|---|---|---|---|
| | **2011** | **2010*** | **2009**** |
| | | **(In $ million)** | |
| Waste/Storage | $ 992 | $ 943 | $ 433 |
| Cooking | 822 | 828 | 757 |
| Tableware | 745 | 762 | |
| **Total** | **$ 2,559** | **$ 2,533** | **$ 1,190** |

| | Reynolds Consumer Products Revenue by Geographic Region | | |
|---|---|---|---|
| | **2011** | **2010*** | **2009**** |
| | | **(In $ million)** | |
| United States | $ 2,454 | $ 2,434 | $ 1,095 |
| Americas, excluding the United States | 75 | 61 | 47 |
| Asia | 22 | 24 | 24 |
| Middle East/Other | 8 | 14 | 24 |
| **Total** | **$ 2,559** | **$ 2,533** | **$ 1,190** |

* Amounts based on our Reynolds consumer products and Hefty consumer products businesses combined revenue for the full year ended December 31, 2010.

** Amounts do not include revenue of the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

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*History*

Reynolds Metals Company was founded in 1919 as the U.S. Foil Company. In 1926, the company began producing aluminum foil for packaging. In 1947, the company introduced its most famous product, Reynolds Wrap Aluminum Foil. The store branded plastic wraps, bags, and container business was founded in 1961 under the Presto name and was later acquired by Reynolds Metals Company in 1988. In 2000, Alcoa merged with Reynolds Metals Company. In 2008, the Reynolds consumer products business was indirectly acquired by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition.

Our Hefty business was developed by Mobil Plastics in the 1960s, starting with its best known product, the Hefty waste bag, and adding other plastic and aluminum products over time. In 1995, Tenneco Packaging Inc. acquired Mobil Plastics. In November 1999, Tenneco Packaging Inc. (which was renamed Pactiv Corporation) was spun-off to Tenneco Inc. s stockholders. In November 2010, we acquired Pactiv and began the integration of our Hefty consumer products and Reynolds consumer products businesses into the integrated Reynolds Consumer Products segment. The integration was substantially completed as of December 31, 2011.

*Product Groups*

Reynolds Consumer Products portfolio of products consists of three product lines: Waste & Storage Products, Cooking Products and Tableware Products. These products are typically used by consumers in their homes and are sold through a variety of retailers, including supermarkets and mass merchandisers.

*Waste & Storage Products*

Waste & Storage Products manufactures branded and store branded plastic waste bags, food storage bags and wraps and sells its branded products under such brand names as Hefty® Baggies®, Hefty® OneZip®, Hefty® Cinch Sak®, Hefty® The Gripper®, Kordite® and Hefty® Odor Block®.

*Cooking Products*

Cooking Products manufactures branded and store branded aluminum foil and disposable cookware and sells its branded products under the Reynolds® and Hefty® E-Z Foil® brands in the U.S. and under the Diamond® brand internationally. We believe Reynolds Consumer Products, with its flagship Reynolds Wrap® products, holds the number one market position in the U.S. branded consumer foil market measured by revenue.

*Tableware Products*

Tableware Products manufactures foam, plastic, molded fiber and pressed paperboard disposable tableware, including disposable plates, cups, bowls, cutlery, and straws. Branded items are sold under the Hefty®, Hefty® Zoo Pals® and Kordite® names.

*Customers*

Reynolds Consumer Products customer base includes leading grocery stores, mass merchants, warehouse clubs, discount chains, drug stores, and military outlets. Through its sales organization, Reynolds Consumer Products is able to manage its relationships with customers at the national, regional, and local levels, depending on their needs. We believe that Reynolds Consumer Products sales support, together with Reynolds Consumer Products ability to manufacture and supply store branded products, is a significant competitive advantage. In 2011, Reynolds Consumer Products top ten customers accounted for 67% of the segment s revenue, with two customers accounting for 27% and 13% of the segment s revenue.

*Competition*

The U.S. consumer food packaging market is relatively mature, yet highly competitive, with Reynolds Consumer Products being one of the few key participants in North America. Reynolds Consumer Products benefits from the strength of the Reynolds and Hefty brands, a differentiated suite of store branded products, as well as significant capital investment in its manufacturing facilities which are well positioned geographically.

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The strong recognition of the Reynolds and Hefty brands among U.S. consumers gives Reynolds Consumer Products a competitive edge. The Reynolds brand has been in existence since 1947 and the Hefty brand has been in existence since 1962.

The product categories in which Reynolds Consumer Products competes also have a strong store branded presence. By leveraging existing capacity and its brand strength, Reynolds Consumer Products has expanded its store branded offerings, which are characterized by high volume and low complexity, to enhance its overall product offering for target customers.

*Marketing and Sales*

Reynolds Consumer Products employs sales professionals organized by product type and customer channel. In addition to the sales professionals, the sales organization includes customer service representatives, marketing teams and an internal logistics and transportation team. Reynolds Consumer Products also utilizes third-party brokers for selected products and accounts. Reynolds Consumer Products provides its customers with category management expertise including assortment, pricing, and promotion strategies, supported by innovation and consumer-focused insights. We believe this value-added service differentiates Reynolds Consumer Products from its competitors and strengthens its customer relationships.

*Manufacturing*

Reynolds Consumer Products operates 12 manufacturing facilities strategically located across the U.S. to optimize distribution and minimize lead times and freight costs. We believe all of Reynolds Consumer Products facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

*Raw Materials and Suppliers*

Reynolds Consumer Products principal raw materials include aluminum and resin, mainly PE and PS. In 2011, the total value of raw materials was $1,228 million and represented 66% of the segment s total cost of sales, excluding depreciation and amortization. Plastic resin accounted for 52% of raw material costs for the year, while aluminum and other metal-related components collectively accounted for 24%. Reynolds Consumer Products other raw materials include products purchased and resold as well as paper, corrugated carton and cases. Reynolds Consumer Products is sensitive to price movements of raw materials, mainly resin and aluminum, and to energy-related cost movements, particularly those that affect transportation and utility costs. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. Resin prices have also historically fluctuated with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products.

Reynolds Consumer Products relationships with its suppliers are satisfactory. Centralized purchasing enables Reynolds Consumer Products to leverage the global purchasing power of its operations and reduces its dependence on any one supplier. Reynolds Consumer Products sources its raw materials from a variety of suppliers and maintains multiple suppliers for each input. Reynolds Consumer Products typically has one-year contracts with resin suppliers and multi-year contracts with aluminum suppliers, which has historically provided Reynolds Consumer Products with a steady supply of raw materials. Reynolds Consumer Products has not historically experienced any significant interruptions of key raw material supplies.

*Quality Management*

Reynolds Consumer Products research and development resources primarily facilitate branded innovation and support store brand growth. Reynolds Consumer Products also has continuous improvement programs focused on cost reduction and productivity improvements and existing programs in lean manufacturing systems that allow for better inventory management. Reynolds Consumer Products store branded products are subject to a high degree of quality control and many have national brand equivalent certification from third parties. Reynolds Consumer Products integrated aluminum foil production is also designed to achieve the highest degree of product safety through its disciplined control of aluminum ingot grade and retail traceability of products.

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Supplier controls, that are in place throughout Reynolds Consumer Products facilities, require product and process controls, a safe and healthy work environment, environmental compliance, and product safety. Reynolds Consumer Products reviews its facilities at least annually for full compliance, and appropriate remediation procedures are taken if necessary.

*Intellectual Property*

Reynolds Consumer Products has a significant number of registered patents and registered trademarks as well as several copyrights, which, along with trade secrets and manufacturing know-how, help support its ability to add value within the market and sustain its competitive advantages. Reynolds Consumer Products has invested a considerable amount of resources in developing proprietary products and manufacturing capabilities, and it employs various methods, including confidentiality and non-disclosure agreements with third parties, employees, and consultants, to protect its intellectual property.

While in the aggregate Reynolds Consumer Products patents are of material importance to Reynolds Consumer Products business, Reynolds Consumer Products believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Reynolds Consumer Products does not believe that any of its licenses from third parties are material to its business taken as a whole. Reynolds Consumer Products does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

*New Product Development*

New product innovation is an important component of Reynolds Consumer Products business strategy. Reynolds Consumer Products and Pactiv Foodservice operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois.

Over the years Reynolds Consumer Products has focused on developing innovative products that address consumers unmet needs, as well as developing products that replace or upgrade existing items. Reynolds Consumer Products has a strong history of adding innovative features to its products, such as the slider closure on food storage bags, the gripper feature on waste bags, which prevents the bag from falling into the trash can, an unscented odor block feature to waste bags, which blocks odors without adding a cover-up scent, and the non-stick coating added to the aluminum foil in its Reynolds Wrap non-stick product line, which provides easy release from the cooking surface.

In some instances Reynolds Consumer Products store branded strategy is that of a fast-follower of newly introduced product innovations, replacements and upgrades. The Double Zipper storage bag is an example of a fast-follower product while delivering national brand equivalent quality. Reynolds Consumer Products partners with key customers to develop store branded products that emulate popular branded consumer products. For example, Reynolds Consumer Products recently commercialized the SuperFlex Disposer Bag in its store branded product offering, designed to provide the same benefits as branded disposer bag offerings, with increased elasticity and improved puncture resistance.

*Information Technology*

Reynolds Consumer Products is in the process of integrating information technology systems as part of the Pactiv Acquisition. At the present time, our Reynolds consumer products business shares an Oracle EBS information systems platform with Closures and a portion of the Reynolds foodservice packaging business.

Our Hefty consumer products business shares its information systems platform with our Pactiv foodservice packaging business. This platform primarily uses SAP enterprise resource planning applications to manage a majority of its processes, supplemented by other bolt-on or stand-alone systems.

*Employees*

As of December 31, 2011, Reynolds Consumer Products employed approximately 3,600 people located primarily in its manufacturing facilities in the United States. In the United States, labor unions are present at three facilities, representing approximately 750 workers. Typical agreements with labor unions are four years in length, with the current agreements expiring between 2014 and 2015. Reynolds Consumer Products has not experienced any significant union-related work stoppages over the past five years, and management considers its relationship with its employees and labor unions to be satisfactory.

*Insurance*

Reynolds Consumer Products maintains the types and amounts of contractual and third-party insurance coverage customary in the industry in which it operates. We believe that Reynolds Consumer Products insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

*Regulatory*

Reynolds Consumer Products business is subject to a broad range of federal, state and local laws and regulations governing environmental and health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of employees, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. For example, some of Reynolds Consumer Products sites have a history of industrial operations that include the use or handling of hazardous materials. While Reynolds Consumer Products is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. Reynolds Consumer Products could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including additional permit requirements or investigation or regulation of the potential health hazards of certain of Reynolds Consumer Products products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on the business, financial condition or results of operations of Reynolds Consumer Products.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Reynolds Consumer Products. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These initiatives may cause Reynolds Consumer Products to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from Reynolds Consumer Products suppliers, customers, or both incurring additional compliance costs that could get passed through to Reynolds Consumer Products or impact product demand.

*Legal Proceedings*

Reynolds Consumer Products is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Reynolds Consumer Products financial position, results of operations or cash flows.

***Pactiv Foodservice***

Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. We believe Pactiv Foodservice holds a leading market position in many of its product lines in the U.S. foodservice market based on our industry knowledge and analysis of available data. 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. Pactiv Foodservice distributes its foodservice and food packaging products through foodservice distributors, food processors, supermarket distributors, supermarkets and restaurants. Pactiv Foodservice has a large customer base and operates primarily in North America.

The following tables show total segment revenue by product group and revenue by geographic region for Pactiv Foodservice for each of the years ended December 31, 2011, 2010 and 2009:

| | Pactiv Foodservice Revenue by Product Group | | |
|---|---|---|---|
| | 2011 | 2010* | 2009** |
| | | (In $ million) | |
| Clear Plastics | $ 916 | $ 851 | $ 333 |
| Foam | 698 | 646 | |
| Tableware | 538 | 496 | |
| Specialty Packaging | 457 | 367 | |
| Paper Food Packaging | 448 | 194 | 15 |
| Aluminum | 192 | 149 | 74 |
| Other | 199 | 232 | 161 |
| Film | | | 156 |
| **Total** | **$ 3,448** | **$ 2,935** | **$ 739** |

| | Pactiv Foodservice Revenue by Geographic Region | | |
|---|---|---|---|
| | 2011 | 2010* | 2009** |
| | | (In $ million) | |
| United States | $ 2,931 | $ 2,479 | $ 621 |
| Canada | 189 | 127 | 44 |
| Europe | 146 | 148 | 59 |
| Mexico | 130 | 110 | 15 |
| Asia | 52 | 71 | |
| **Total** | **$ 3,448** | **$ 2,935** | **$ 739** |

* Amounts based on our Reynolds foodservice packaging and Pactiv foodservice packaging businesses combined revenue for the full year ended December 31, 2010.

** Amounts do not include revenue of the Pactiv foodservice packaging business acquired in November 2010 as part of the Pactiv Acquisition.

*History*

Reynolds Metals Company was founded in 1919 as the U.S. Foil Company. In 1926, the company began producing aluminum foil for packaging. In 1947, the company introduced its most famous product, Reynolds Wrap Aluminum Foil. In 2000, Alcoa merged with Reynolds Metals Company, which, in addition to offering a broad range of consumer and foodservice products, was also one of the largest aluminum producers in the world. In 2002, Alcoa acquired Ivex Packaging Corporation, which broadened the position of the Reynolds foodservice packaging business in the foodservice packaging industry. In 2008, the Reynolds foodservice packaging business was indirectly acquired by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition.

Pactiv s foodservice/food packaging business was originally part of Packaging Corporation of America, or PCA, which was acquired by Tenneco Inc. in 1965. PCA manufactured paperboard and various paperboard products as well as certain plastic and aluminum food packaging products. In 1995, PCA was renamed Tenneco

Packaging Inc. and acquired Mobil Plastics Company and in 1996 acquired Amoco Foam Products Company, which expanded its foodservice offering significantly. In April 1999, Tenneco Packaging Inc. sold its paperboard business to a new company and in November 1999 Tenneco Packaging Inc. (which was renamed Pactiv Corporation and is now known as Pactiv LLC) was spun-off to Tenneco Inc. s stockholders. Pactiv has made various acquisitions, including Prairie Packaging Inc. in 2007 and PWP Industries Inc. (which was renamed Pactiv Packaging Inc.) in April 2010. In November 2010, we acquired Pactiv, and we began the integration of our Reynolds foodservice packaging and Pactiv foodservice packaging businesses into our integrated Pactiv Foodservice segment. The integration was substantially completed as of December 31, 2011. In May 2011, we acquired Dopaco and began the integration of Dopaco into our Pactiv Foodservice segment.

*Products*

Pactiv Foodservice is a leading manufacturer of packaging products to the foodservice, supermarket, restaurant, and food packaging markets. Pactiv Foodservice s products are designed to protect food during distribution, aid retailers and food processors in merchandising food products, and help customers prepare and serve meals in their homes. Pactiv Foodservice has a very broad portfolio of products with a continual emphasis on adding new product lines. Pactiv Foodservice s products include tableware items, such as plates, bowls, cups, cutlery and straws, clear plastic containers, microwaveable plastic, food service plastic film, foam, molded fiber, paperboard, and aluminum containers. Supermarket products include clear rigid-display packaging for delicatessen and bakery applications, microwaveable containers for prepared, ready-to-eat meals and foam trays for meat and poultry. Products sold to food processors include clear rigid packaging, dual ovenable containers for entrees, molded fiber egg cartons, meat trays and aluminum containers. Products are manufactured using plastics, aluminum, molded fiber for egg packaging and paper for prepared meals packaging. In addition, Pactiv Foodservice also sells plastic sheet to thermoformers made with various resins such as PET, PS and PP.

*Customers*

Pactiv Foodservice s customer base includes leading international companies, large national and regional customers, and smaller local businesses, with its largest presence in North America. Pactiv Foodservice s customers include foodservice distributors, food processors, restaurants, supermarket distributors, supermarkets and manufacturers. In 2011, Pactiv Foodservice s top ten customers accounted for 45% of the segment s revenue with one customer accounting for 12% of revenue.

Pactiv Foodservice generally sells its products on either a purchase order basis or under formal supply agreements with durations ranging from one to three years. A majority of Pactiv Foodservice s revenue is from supply agreements with raw material cost pass-through mechanisms, with the remainder sold on an open market.

*Competition*

The U.S. foodservice packaging market is relatively mature but also very fragmented, with Pactiv Foodservice being one of a few participants with a product range that spans a significant portion of foodservice product categories. Our competitors in the U.S. foodservice market include large companies that offer several competing products and a range of smaller competitors with only single product offerings. Pactiv Foodservice primarily competes on the basis of price, breadth of product offerings, product features, performance, speed to market, distribution capabilities and product innovation.

*Marketing and Sales*

Pactiv Foodservice primarily uses a direct sales force to sell to foodservice and food packaging customers and also utilizes third-party brokers for selected products and accounts. Pactiv Foodservice s marketing and sales effort is premised on the One Face to the Customer value proposition which uses one sales representative per account to produce one order which is supported by one customer service representative that is responsible for one shipment with one invoice. In addition to the sales professionals, the sales organization includes customer service representatives, marketing teams and an internal logistics and transportation team.

*Manufacturing*

Pactiv Foodservice operates 50 manufacturing plants in North America and three in Europe and has two joint ventures in China. At 28 of its facilities, Pactiv Foodservice manufactures products for Reynolds Consumer Products. Pactiv Foodservice also operates several distribution facilities in the United States. Pactiv Foodservice manages its manufacturing plants by grouping them into value streams based on common raw materials, similar manufacturing processes and products. Each value stream is managed by a value stream director. The directors have responsibility for all plants that produce a specific process. The value streams are integral to a disciplined and lean operating system that provides consistent operating practices and metrics across all value streams.

Pactiv Foodservice utilizes a variety of production processes, including aluminum foil and paper processing, injection molding, thermoforming and extrusion. A focus on continuous improvement, lean manufacturing system initiatives and teamwork has resulted in better customer service measured by case fill, on time delivery and quality performance metrics.

Pactiv Foodservice provides a low-cost, efficient distribution system where it utilizes two distribution models. Direct distribution, primarily for processors and supermarkets, sends products straight from the factory to the customer. Pactiv Foodservice contracts with the customer to send full truck loads only. The second distribution model is based around five regional mixing centers. These two distribution models yield significant cost savings for Pactiv Foodservice which are shared with customers. Pactiv Foodservice and Reynolds Consumer Products also operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois.

*Raw Materials and Suppliers*

Pactiv Foodservice s principal raw materials include resins, aluminum and paper. In 2011, the total value of raw materials was $1,845 million and represented 68% of the segment s total cost of sales, excluding depreciation and amortization. Plastic resins accounted for 64% of raw material costs for the year, while aluminum, steel, paper and other raw materials collectively accounted for 36%.

The prices of Pactiv Foodservice s raw materials fluctuate with market movements in commodity prices. Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions. The price of cartonboard may fluctuate widely due to external conditions such as weather, product scarcity, currency and commodity market fluctuations and changes in governmental policies and regulations. Pactiv Foodservice is also sensitive to other energy-related cost movements and in particular those that affect transportation and utility costs.

In order to minimize the impact of price fluctuations, Pactiv Foodservice utilizes customer supply agreements that provide for prices that change based on published index movements. In 2011, 60% of the segment s revenue was from supply agreements which contained raw material cost pass-through mechanisms. Pactiv Foodservice uses price increases to mitigate the effects of raw material cost increases for products sold to customers that do not have raw material cost pass-through mechanisms.

We believe that Pactiv Foodservice s relationships with its suppliers are satisfactory.

Centralized purchasing enables Pactiv Foodservice to leverage its purchasing power for core raw materials and reduces its dependence on any one supplier. Pactiv Foodservice sources its raw materials from a variety of suppliers and maintains multiple suppliers for each input. Pactiv Foodservice typically has contracts with resin suppliers, which have historically provided Pactiv Foodservice with a steady supply of raw materials. Pactiv Foodservice has not historically experienced any significant interruptions of key raw material supplies. Pactiv Foodservice has also undertaken programs to consolidate its supplier base and achieve savings by taking advantage of the economies of scale afforded by its increased purchasing volume. Pactiv Foodservice has

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continuous improvement programs focused on cost reduction and productivity improvements. Existing programs in lean manufacturing allow for better inventory management. In addition, Pactiv Foodservice s scale and knowledge of the resin market contribute to efficient raw materials management.

*Quality Management*

Pactiv Foodservice is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management, customers, and employees. Pactiv Foodservice uses a stringent technique of hazard analysis and critical control points to identify critical aspects of quality management as well as methods and tools to identify key areas for improvement that result in a reduction of waste and downtime at its facilities.

*Intellectual Property*

Pactiv Foodservice has a significant number of registered patents and registered trademarks which, along with trade secrets and manufacturing know-how, help support Pactiv Foodservice s ability to add value within the market and sustain its competitive advantages. Pactiv Foodservice has invested a considerable amount of resources in developing its proprietary products and manufacturing capabilities, and it employs various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect its intellectual property. Pactiv Foodservice uses internal and external resources to carefully manage its intellectual property portfolio. In addition, the business looks to actively defend its intellectual property rights throughout the world. Pactiv Foodservice performs internal analysis to decide whether to sue for patent infringements, initiate opposition procedures or counter-actions or buy patents and sign license agreements for the use of foreign patents. We believe that the intellectual property and licensing rights held are adequate for the business.

While in the aggregate Pactiv Foodservice s patents are of material importance to Pactiv Foodservice s business, Pactiv Foodservice believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Pactiv Foodservice does not believe that any of its licenses from third parties are material to its business taken as a whole. Pactiv Foodservice does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

*Information Technology*

Pactiv Foodservice is in the process of integrating information technology systems as a result of the Pactiv Acquisition. At the present time, our Reynolds foodservice packaging business shares an Oracle EBS information systems platform with Closures and a portion of the Reynolds consumer products business.

Our Pactiv foodservice packaging business shares its information systems platform with the Hefty consumer products business. This platform primarily uses SAP enterprise resource planning applications to manage a majority of its processes, supplemented by other bolt-on or stand-alone systems.

*Employees*

As of December 31, 2011, Pactiv Foodservice employed approximately 11,800 people located primarily in its manufacturing facilities in the U.S. Labor unions are present at eight U.S. facilities and at three international locations, representing approximately 1,000 workers. Typical agreements with labor unions are three to four years in term, with the current agreements expiring between 2012 and 2014. Pactiv Foodservice has not experienced any significant union related work stoppages over the last five years, and Pactiv Foodservice s management considers its relationship with its employees and labor unions to be satisfactory.

*Insurance*

Pactiv Foodservice maintains the types and amounts of contractual and third-party insurance coverage customary in the industry in which it operates. We believe that Pactiv Foodservice s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

*Regulatory*

Pactiv Foodservice s business is subject to a broad range of foreign, federal, state and local laws and regulations, including those governing environmental and health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of Pactiv Foodservice s employees as well as users of Pactiv Foodservice s products, regulate the materials used in, and the recycling of, products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. These laws also regulate, and in certain instances ban products, that may be deemed harmful to the environment.

Pactiv Foodservice could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. Pactiv Foodservice is currently investigating, remediating or otherwise addressing contamination at several of its facilities. Pactiv Foodservice also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials.

In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including investigation or regulation of certain of Pactiv Foodservice s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on Pactiv Foodservice s business, financial condition or results of operations. Similarly, any environmental laws or initiatives, including those that may be proposed in the future, seeking to ban or limit the use of any of Pactiv Foodservice s products, such as polystyrene-based containers, packaging and other products, could have a material adverse effect on Pactiv Foodservice s business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Pactiv Foodservice. For example, the U.S. Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These and other foreign, federal and state climate change initiatives may cause Pactiv Foodservice to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect cos