

BRPP LLC  
Form 424B3  
June 25, 2012

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**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-177693**

PROSPECTUS

**Reynolds Group Issuer Inc.  
Reynolds Group Issuer LLC  
Reynolds Group Issuer (Luxembourg) S.A.**

Offer to Exchange

\$1,125,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for  
\$1,125,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

450,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for  
450,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

\$1,000,000,000 Outstanding 8.500% Senior Notes due 2018 and Related Guarantees for  
\$1,000,000,000 Registered 8.500% Senior Notes due 2018 and Related Guarantees

\$1,500,000,000 Outstanding 7.125% Senior Secured Notes due 2019 and Related Guarantees for  
\$1,500,000,000 Registered 7.125% Senior Secured Notes due 2019 and Related Guarantees

\$1,500,000,000 Outstanding 9.000% Senior Notes due 2019 and Related Guarantees for  
\$1,500,000,000 Registered 9.000% Senior Notes due 2019 and Related Guarantees

\$1,500,000,000 Outstanding 7.875% Senior Secured Notes due 2019 and Related Guarantees for  
\$1,500,000,000 Registered 7.875% Senior Secured Notes due 2019 and Related Guarantees

\$1,000,000,000 Outstanding 9.875% Senior Notes due 2019 and Related Guarantees for  
\$1,000,000,000 Registered 9.875% Senior Notes due 2019 and Related Guarantees

\$1,000,000,000 Outstanding 6.875% Senior Secured Notes due 2021 and Related Guarantees for  
\$1,000,000,000 Registered 6.875% Senior Secured Notes due 2021 and Related Guarantees

and

\$1,000,000,000 Outstanding 8.250% Senior Notes due 2021 and Related Guarantees for  
\$1,000,000,000 Registered 8.250% Senior Notes due 2021 and Related Guarantees

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. We refer to this offer as the exchange offer.

The terms of the new notes of each series are identical in all material respects to the terms of the old notes of the same series, 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 of the same series. See Description of the 2009 Notes General, Description of the May 2010 Notes General, Description of the October 2010 Senior Secured Notes General, Description of the October 2010 Senior Notes General, Description of the February 2011 Senior Secured Notes General, Description of the February 2011 Senior Notes General, Description of the August 2011 Senior Secured Notes General and Description of the August 2011 Senior Notes General.

The exchange offer will expire at 5:00 p.m., New York City time, on July 24, 2012, 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 and the new notes are guaranteed (subject to certain customary guarantee release provisions set forth in the indentures 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. Both the senior secured notes and the senior notes and the related guarantees are senior obligations of the Issuers and the guarantors and the senior secured notes 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 senior secured 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 senior secured notes and the 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 senior secured notes and the related guarantees is subject to certain exceptions and prior permitted liens.

**See Risk Factors beginning on page 49 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.**

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The date of this prospectus is June 25, 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, 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, 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 this definition may have been amended in the Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

**NOTICE TO CERTAIN NON-US 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*). 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 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

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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 the Republic of Hungary. Therefore, no license has been and 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.

*Italy.* The offering of the notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ( CONSOB ) (the Italian Securities Exchange Commission), in accordance with Italian securities legislation and, accordingly, in the Republic of Italy the notes may not be offered, sold or delivered, nor may



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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 must:

be 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 Banking Act ), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations;

be conducted in accordance with any relevant limitations or procedural requirements that CONSOB may impose upon the offer or sale of the notes, and

be made 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 10 July 2005 on prospectuses for securities as amended from time to time (the Prospectus Law ) and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the Prospectus Directive ) and any Luxembourg law which will implement Directive 2010/73/EU of 24 November 2010 (the PD Amending Directive ) if Luxembourg is a home member state (as defined in the Prospectus Law); 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 PD Amending Directive; or

the offer is made to (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or (ii) a legal entity which has two or more of (1) an average of at least 250 employees during the financial year; (2) a total balance sheet of more than 43,000,000; and (3) an annual net turnover of more than 50,000,000 as shown in its last annual or consolidated published accounts, 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

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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 seqq. of the Listing Rules of the SIX Swiss Exchange or the listing rules of any other stock exchange or regulated trading 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 of the notes 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.* This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ( the Order ) or (3) high net worth entities, and other persons to whom it may lawfully be communicated falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as relevant persons ). The exchange notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such exchange notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

**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<sup>®</sup>, Combifit<sup>™</sup>, Combishape<sup>®</sup>, Diamond<sup>®</sup>, Evergreen Packaging<sup>®</sup>, Kordite<sup>®</sup>, Presto<sup>®</sup>, Reynolds<sup>®</sup>, Reynolds Wrap<sup>®</sup>, Hefty<sup>®</sup>, Hefty<sup>®</sup> Baggies<sup>®</sup>, Hefty<sup>®</sup> Cinch Sak<sup>®</sup>, Hefty<sup>®</sup> EZ Foil<sup>®</sup>, Hefty<sup>®</sup> Odor Block<sup>®</sup>, Hefty<sup>®</sup> OneZip<sup>®</sup>, Hefty<sup>®</sup> The Gripper<sup>®</sup>, Hefty<sup>®</sup> Zoo Pals<sup>®</sup>, Monosorb<sup>®</sup>, SurShot<sup>®</sup>, Escape<sup>®</sup>, G-Lite<sup>®</sup> and SlingShot<sup>™</sup> 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.

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**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 July 17, 2012.**

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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 Operating 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. 2012 Refinancing Transactions, Graham Packaging Change of Control Offer, Graham Packaging Acquisition, Dopaco Acquisition, 2011 Refinancing Transactions, Pactiv Acquisition, Reynolds Foodservice Acquisition, Evergreen Acquisition, RGHL Acquisition, 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.*

**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



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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 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. 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 based on our analysis of industry data. 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.

## **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 the future costs of energy, raw materials and freight;

- risks related to our substantial outstanding indebtedness of approximately \$18,140 million as of March 31, 2012;

risks related to our ability to service our current and future indebtedness for which we will have to spend approximately \$1,450 million annually to service our indebtedness;

risks related to our other hedging activities which may result in significant losses and in period-to-period earnings volatility;

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- 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 dependence on the protection of our intellectual property and the development of new products;
- 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 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.

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

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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. Other than its financing activities as a co-issuer of the 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. Other than its financing activities as a co-issuer of the 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. Other than its financing activities as a co-issuer of the 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.

**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 7.750% senior secured notes due 2016, or the 2009 Notes, the 8.500% senior notes due 2018, or the May 2010 Notes, the 7.125% senior secured notes due 2019, or the October 2010 Senior Secured Notes, 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, the 6.875% senior secured notes due 2021, or the February 2011 Senior Secured Notes, 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, 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, are being registered in connection with this offering.

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

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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) the 9.875% senior notes due 2019 (originally issued on February 15, 2012), or the February 2012 Notes, are not part of and are not being registered in connection with this offering.

For a summary of the debt obligations referenced in this diagram, see Description of Certain Other Indebtedness and Intercreditor Agreements, Description of the 2009 Notes, Description of the May 2010 Notes, Description of the October 2010 Senior Secured Notes, Description of the October 2010 Senior Notes, Description of the February 2011 Senior Secured Notes, Description of the February 2011 Senior Notes, Description of the August 2011 Senior Secured Notes and Description of the August 2011 Senior Notes.

\* Does not guarantee the notes, the February 2012 Notes or our senior secured credit facilities.

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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.

Notes Offered

\$1,125,000,000 aggregate principal amount of new 2009 Notes, which have been registered under the Securities Act.

450,000,000 aggregate principal amount of new 2009 Notes, which have been registered under the Securities Act.

\$1,000,000,000 aggregate principal amount of new May 2010 Notes, which have been registered under the Securities Act.

\$1,500,000,000 aggregate principal amount of new October 2010 Senior Secured Notes, which have been registered under the Securities Act.

\$1,500,000,000 aggregate principal amount of new October 2010 Senior Notes, which have been registered under the Securities Act.

\$1,000,000,000 aggregate principal amount of new February 2011 Senior Secured Notes, which have been registered under the Securities Act.

\$1,000,000,000 aggregate principal amount of new February 2011 Senior Notes, which have been registered under the Securities Act.

\$1,500,000,000 aggregate principal amount of new August 2011 Senior Secured Notes, which have been registered under the Securities Act.

\$1,000,000,000 aggregate principal amount of new August 2011 Senior Notes, which have been registered under the Securities Act.

We refer to (i) the outstanding 2009 Notes, the May 2010 Notes, October 2010 Notes, the February 2011 Notes and the August 2011 Notes as the old notes and the corresponding series of notes registered pursuant to this exchange offer as the new notes, (ii) the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes as the senior secured notes, (iii) the May 2010 Notes, the October 2010 Senior Notes, the February 2011 Senior Notes and the August 2011 Senior Notes as the senior notes and (iv) the old notes and the new notes as the notes.

The terms of the new notes of each series are identical in all material respects to the terms of the old notes of the same series, 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 of the same



series, 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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The Exchange Offer	You may exchange old notes and the related guarantees of each series for a like principal amount of new notes and the related guarantees.
Resale of New Notes	<p>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 &amp; Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman &amp; 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:</p> <p style="padding-left: 40px;">such new notes are acquired in the ordinary course of business;</p> <p style="padding-left: 40px;">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</p> <p style="padding-left: 40px;">such holder is not engaged in and does not intend to engage in a distribution of such new notes.</p> <p>By tendering old notes as described in <i>The Exchange Offers Procedures for Tendering</i>, 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 delivery requirements of the Securities Act in connection with a resale of the new notes. You should read the discussion under the heading <i>The Exchange Offer</i> for further information regarding the exchange offer and resale of the new notes.</p>
Registration Rights Agreement	We have undertaken the exchange offer pursuant to the terms of the registration rights agreements that the Issuers entered into with the initial purchasers of the old notes. See <i>The Exchange Offer Purpose of the Exchange Offer</i> .
Consequences of Failure to Exchange the Old Notes	<p>You will continue to hold old notes that remain subject to their existing transfer restrictions if:</p> <p style="padding-left: 40px;">you do not tender your old notes; or</p> <p style="padding-left: 40px;">you tender your old notes and they are not accepted for exchange.</p> <p>With some limited exceptions, we will have no obligation to register the old notes after we consummate the exchange offer. See <i>The Exchange Offer Terms of the Exchange Offer</i> and <i>The Exchange Offer Consequences of Failure to Exchange</i>.</p>

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on July 24, 2012, unless we extend it, in which case expiration

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date means the latest date and time to which the exchange offer is extended.

Interest on the New Notes

The new notes of each series will accrue interest from the last interest payment date on which interest was paid on the old notes of the same series or, if no interest has been paid on the old notes of the same series, from the date of original issue of the old notes of the same series.

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:

the registration statement of which this prospectus constitutes a part; or

the qualification of the indenture governing the relevant 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.

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 Dollar Denominated Notes

If you wish to participate in any of the exchange offers, 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 Offers Procedures for Tendering.

Procedures for Tendering Old Euro Denominated Notes

Pursuant to their internal guidelines, Euroclear and Clearstream will automatically exchange old euro notes for new euro notes on behalf of the holders of the old euro notes. **If you do not wish to**



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**participate in the exchange offer, the registered holder of old euro notes on the records of Euroclear or Clearstream must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action** ; otherwise such old euro notes will be tendered in the exchange offer, and you will be deemed to have agreed to be bound by the terms of the letter of transmittal. The exchange for old euro notes so tendered will only be made after a timely confirmation of a book-entry transfer of old euro notes into the exchange agent's account, and timely receipt by the exchange agent of an agent's message.

**Holders that cannot make the representations contained in the letter of transmittal must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action.**

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 Certain U.S. 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 of each series are identical in all material respects to the terms of the old notes of the same series, 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 of the same series;

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.

**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** Each new note will mature on the same date as the old note for which it is being exchanged.

**Interest Rates and Payment Dates** Each new note will bear interest accruing at the same coupon rate and payable at the same times as the old note for which it is being exchanged.

**Guarantees** The old notes are and the new notes will be guaranteed (subject to certain customary guarantee release provisions set forth in the indentures 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 2009 Notes Note Guarantees, Description of the October 2010 Senior Secured Notes Senior Secured Note Guarantees, Description of the February 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the August 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the 2009 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the February 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the August 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the May 2010 Notes Note Guarantees, Description of the October 2010 Senior Notes Senior Note Guarantees, Description of the February 2011 Senior Notes Senior Note Guarantees, Description of the August 2011 Senior Notes Senior Note Guarantees, Description of the May 2010 Notes Certain Covenants Future Note

Guarantors, Description of the October 2010 Senior Notes Certain  
Covenants Future Senior Note Guarantors, Description of the February  
2011 Senior Notes Certain Covenants Future Senior



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Note Guarantors and Description of the August 2011 Senior Notes Certain Covenants Future Senior Note Guarantors. The laws of certain jurisdictions may limit the enforceability of certain guarantees with respect to both the senior secured notes and senior notes, and security with respect to the senior secured 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 March 31, 2012, consist of \$4,246 million in senior secured term loans, 245 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**

Senior Secured Notes

Each series of senior secured notes is a senior secured obligation of the Issuers and:

is effectively senior to all existing and future unsecured indebtedness of the Issuers to the extent of the value of the collateral securing such series of senior secured notes;

ranks *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, each other series of senior secured notes, the senior notes, the February 2012 Notes and the Senior Secured Credit Facilities;

is effectively subordinated to the other First Lien Obligations (as defined in Description of the 2009 Notes Certain Definitions, Description of the October 2010 Senior Secured Notes Certain Definitions, Description of the February 2011 Senior Secured Notes Certain Definitions and Description of the August 2011 Senior Secured Notes Certain Definitions ) of the Issuers, 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 such series of senior secured notes to the extent of the value of all such property;

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

is 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 each series of senior secured 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 such series of senior secured notes;

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rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor, including indebtedness under, or in respect to its guarantee of, each other series of senior secured notes, the senior notes, the February 2012 Notes and the Senior Secured Credit Facilities;

are effectively subordinated to the other First Lien Obligations (as defined in Description of the 2009 Notes Certain Definitions, Description of the October 2010 Senior Secured Notes Certain Definitions, Description of the February 2011 Senior Secured Notes Certain Definitions and Description of the August 2011 Senior Secured Notes Certain Definitions ) of such guarantor (including indebtedness of such guarantor outstanding 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 senior secured notes to the extent of the value of all such property; and

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

Senior Notes

Each series of senior notes is a senior obligation of the Issuers and:

ranks *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, each other series of senior notes, the senior secured notes, the 2007 Senior Notes, the February 2012 Notes and the Senior Secured Credit Facilities;

is effectively subordinated to all existing and future secured indebtedness of the Issuers, including amounts outstanding under the 2007 Notes, the senior secured notes and the Senior Secured Credit Facilities, to the extent of the value of the property securing such indebtedness;

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

is 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 each series of senior notes are senior obligations of each guarantor and:

rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor, including indebtedness under, or in respect to its guarantee of, each other series of senior notes, the senior

secured notes, the Senior Secured Credit Facilities, the 2007 Senior Notes  
and the February 2012 Notes;

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are effectively subordinated to all existing and future secured indebtedness of such guarantor, including indebtedness of such guarantor outstanding under, or with respect to its guarantee of, the 2007 Notes, the senior secured notes and the Senior Secured Credit Facilities, to the extent of the value of the property securing such indebtedness; 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 Subordinated Notes.

As of March 31, 2012, the RGHL Group had:

\$10,371 million aggregate principal amount of outstanding secured indebtedness. The RGHL Group has \$63 million and \$41 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to \$56 million of secured indebtedness under certain local facilities; and

\$17,554 million of indebtedness outstanding other than subordinated indebtedness, whether secured or unsecured, consisting of amounts outstanding under the Senior Secured Credit Facilities, the senior notes, the senior secured notes, the 2007 Senior Notes, the February 2012 Notes and the Pactiv Notes (in each case, including without duplication, the guarantees with respect thereto), certain local facilities and certain other local overdraft and local working capital facilities.

The senior notes and the related guarantees will constitute Senior Indebtedness (as defined in Description of the May 2010 Notes Certain Definitions, Description of the October 2010 Senior Notes Certain Definitions, Description of the February 2011 Senior Notes Certain Definitions and Description of the August 2011 Senior 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 senior notes and related guarantees will be entitled to receive payment in full of such senior 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.

However, because the senior notes and related guarantees will not, unlike the senior secured notes, the Senior Secured Credit Facilities and the 2007 Senior Notes, constitute Designated Senior Indebtedness for purposes of the indenture governing the 2007 Senior Subordinated Notes, the holders thereof have more rights than the holders of senior notes. Thus, holders of senior notes and related guarantees are not entitled to the benefit of certain provisions in the indenture governing the 2007 Senior Subordinated Notes relating to the subordination of the 2007 Senior Subordinated Notes that

provide rights only to holders of Designated Senior Indebtedness (as defined therein), not Senior Indebtedness, including among other things, the benefits of

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delivering payment blockage notices or enforcing the turnover provisions of the indenture governing the 2007 Senior Subordinated Notes. Accordingly, holders of senior notes may recover less than holders of Designated Senior Indebtedness as a result thereof. See Description of the May 2010 Notes Ranking, Description of the October 2010 Senior Notes Ranking, Description of the February 2011 Senior Notes Ranking and Description of the August 2011 Senior Notes Ranking.

Each series of senior notes and related guarantees rank *pari passu* in right of payment with each other series of our senior indebtedness, including the guarantees with respect thereto. Therefore, in the event that an Issuer or a guarantor of a series of senior notes becomes a debtor in a United States bankruptcy case, claims of holders of such series of senior notes and related guarantees will rank *pari passu* in right of payment with the claims of holders of the other series of senior notes and the February 2012 Notes and related guarantees, and in the event that claims under the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of such series senior notes and related guarantees will rank *pari passu* in right of payment with the unsecured portion of claims of holders of the guarantees of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities, in each case, including the guarantees with respect thereto.

In addition, in such an event, we expect that claims of holders of senior notes and related guarantees will be senior in right of payment to the claims of holders of the guarantees of the 2007 Senior Subordinated Notes. However, because of the differences in the rights of the holders of the senior notes and the holders of Designated Senior Indebtedness, there can be no guarantee that a bankruptcy court would enforce the contractual subordination of the 2007 Subordinated Notes in favor of the senior notes in the same manner as the contractual subordination of the 2007 Senior Subordinated Notes in favor of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities under such circumstances.

As of March 31, 2012, the RGHL Group had:

\$4,246 million and 245 million of indebtedness outstanding under the Senior Secured Credit Facilities;

\$5,125 million and 450 million of indebtedness outstanding under the secured notes;

\$4,500 million of indebtedness outstanding under the senior notes;

\$1,250 million of indebtedness outstanding under the February 2012 Notes;

480 million of indebtedness outstanding under the 2007 Senior Notes;





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

\$792 million of indebtedness outstanding under the Pactiv Notes.

**Security**

Senior Secured Notes

Subject to the terms of the security documents, each series of senior secured 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 each other series of senior secured notes, the Senior Secured Credit Facilities 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.

The collateral consists of substantially all 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 has only a leasehold interest, (ii) a number of Pactiv's real properties, which are estimated to have a book value as of March 31, 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 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).

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 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.

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In addition, the indentures governing the 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 security that can be pledged to secure the 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 any series of senior secured notes. Under the SEC regulations in effect as of the issue date of the new senior secured notes, if the par value, book value or market value, whichever is greatest, of the capital stock or other securities of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of one of the series of senior secured 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 one of the series of senior secured notes would be excluded from the collateral securing such series of senior secured notes.

We estimate that the aggregate book value and market value of the capital stock of our subsidiaries, as of March 31, 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 senior secured notes is generally subject to the collateral cutback provision 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 secured notes have a book value greater than the principal amount of our outstanding secured indebtedness, which totaled \$10,371 million, as of March 31, 2012 and measured in accordance with IFRS. See Description of the 2009 Notes Security, Description of the October 2010 Senior Secured Notes Security, Description of the February 2011 Senior Secured Notes Security, Description of the August 2011 Senior Secured Notes Security, Description of the 2009 Notes Certain Definitions Agreed



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Security Principles, Description of the October 2010 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the February 2011 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the August 2011 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the 2009 Notes Certain Covenants Future Collateral, Description of the October 2010 Senior Secured Notes Certain Covenants Future Collateral, Description of the February 2011 Senior Secured Notes Certain Covenants Future Collateral, Description of the August 2011 Senior Secured Notes Certain Covenants Future Collateral, Description of the 2009 Notes Certain Covenants Liens, Description of the October 2010 Senior Secured Notes Certain Covenants Liens, Description of the February 2011 Senior Secured Notes Certain Covenants Liens, Description of the August 2011 Senior Secured Notes Certain Covenants Liens, Description of the 2009 Notes Certain Definitions Permitted Liens, Description of the October 2010 Senior Secured Notes Certain Definitions Permitted Liens, Description of the February 2011 Senior Secured Notes Certain Definitions Permitted Liens, Description of the August 2011 Senior Secured Notes Certain Definitions Permitted Liens and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes .

Senior Notes

Not applicable.

**Intercreditor Agreements**

Senior Secured Notes

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) our intercreditor agreement, dated May 11, 2007, as amended from time to time, which sets forth the relative rights and obligations with respect to the holders of the senior secured notes, the lenders and other secured parties (including certain local facility providers and hedging counterparties) under the Senior Secured Credit Facilities and the holders of the 2007 Notes, or the 2007 UK Intercreditor Agreement , and (2) our intercreditor agreement, dated November 5, 2009, as amended from time to time, which sets forth the relative rights and obligations with respect to the holders of the senior secured notes, the lenders and other secured parties (including certain local facility providers and hedging counterparties) under the Senior Secured Credit Facilities, or the First Lien Intercreditor Agreement.

Senior Notes

Not applicable.

**Optional Redemption**

Senior Secured Notes

The Issuers may redeem some or all of the 2009 Notes at any time and from time to time on or after October 15, 2012, at the redemption prices described in this prospectus. Prior to October 15, 2012, the Issuers may redeem some or all of the 2009 Notes at a redemption price equal to 100%

of the principal amount of the 2009 Notes plus accrued and unpaid interest, if any, to the

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applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the 2009 Notes Optional Redemption. In addition, at any time prior to October 15, 2012, the Issuers may redeem up to 35% of the aggregate principal amount of the 2009 Notes with the proceeds of certain equity offerings at a redemption price of 107.750%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the 2009 Notes Optional Redemption.

The Issuers may redeem some or all of the October 2010 Senior Secured Notes at any time and from time to time on or after October 15, 2014, at the redemption prices described in this prospectus. Prior to October 15, 2014, the Issuers may redeem some or all of the October 2010 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the October 2010 Senior Secured 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 October 2010 Senior Secured Notes Optional Redemption. In addition, at any time prior to October 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the October 2010 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.125%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the October 2010 Senior Secured Notes Optional Redemption.

The Issuers may redeem some or all of the February 2011 Senior Secured Notes at any time and from time to time on or after February 15, 2016, at the redemption prices described in this prospectus. Prior to February 15, 2016, the Issuers may redeem some or all of the February 2011 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the February 2011 Senior Secured 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 February 2011 Senior Secured Notes Optional Redemption. In addition, at any time prior to February 15, 2014 the Issuers may redeem up to 35% of the aggregate principal amount of the February 2011 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 106.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the February 2011 Senior Secured Notes Optional Redemption.

The Issuers may redeem some or all of the August 2011 Senior Secured Notes at any time and from time to time on or after August 15, 2015, at the redemption prices described in this prospectus. Prior to August 15, 2015, the Issuers may redeem some or all of the August 2011 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the August 2011 Senior Secured 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

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2011 Senior Secured Notes Optional Redemption. In addition, at any time prior to August 15, 2014 the Issuers may redeem up to 35% of the aggregate principal amount of the August 2011 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the August 2011 Senior Secured Notes Optional Redemption.

## Senior Notes

The Issuers may redeem some or all of the May 2010 Notes at any time and from time to time on or after May 15, 2014, at the redemption prices described in this prospectus. Prior to May 15, 2014, the Issuers may redeem some or all of the May 2010 Notes at a redemption price equal to 100% of the principal amount of the May 2010 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 May 2010 Notes Optional Redemption. In addition, at any time prior to May 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the May 2010 Notes with the proceeds of certain equity offerings at a redemption price of 108.500%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the May 2010 Notes Optional Redemption.

The Issuers may redeem some or all of the October 2010 Senior Notes at any time and from time to time on or after October 15, 2014, at the redemption prices described in this prospectus. Prior to October 15, 2014, the Issuers may redeem some or all of the October 2010 Senior Notes at a redemption price equal to 100% of the principal amount of the October 2010 Senior 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 October 2010 Senior Notes Optional Redemption. In addition, at any time prior to October 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the October 2010 Senior Notes with the proceeds of certain equity offerings at a redemption price of 109.000%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the October 2010 Senior Notes Optional Redemption.

The Issuers may redeem some or all of the February 2011 Senior Notes at any time and from time to time on or after February 15, 2016, at the redemption prices described in this prospectus. Prior to February 15, 2016, the Issuers may redeem some or all of the February 2011 Senior Notes at a redemption price equal to 100% of the principal amount of the February 2011 Senior 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 February 2011 Senior Notes Optional Redemption. In addition, at any time prior to February 15, 2014, the Issuers may redeem up to 35% of the aggregate principal amount of the February 2011 Senior Notes with the proceeds of certain equity offerings at a redemption price of 108.250%, plus accrued and

unpaid interest, if any, to the

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applicable redemption date. See Description of the February 2011 Senior Notes Optional Redemption.

The Issuers may redeem some or all of the August 2011 Senior Notes at any time and from time to time on or after August 15, 2015, at the redemption prices described in this prospectus. Prior to August 15, 2015, the Issuers may redeem some or all of the August 2011 Senior Notes at a redemption price equal to 100% of the principal amount of the August 2011 Senior 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 August 2011 Senior Notes Optional Redemption. In addition, at any time prior to August 15, 2014, the Issuers may redeem up to 35% of the aggregate principal amount of the August 2011 Senior Notes with the proceeds of certain equity offerings at a redemption price of 109.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the August 2011 Senior 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 each series 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 2009 Notes Redemption for Taxation Reasons, Description of the October 2010 Senior Secured Notes Redemption for Taxation Reasons, Description of the February 2011 Senior Secured Notes Redemption for Taxation Reasons, Description of the August 2011 Senior Secured Notes Redemption for Taxation Reasons, Description of the May 2010 Notes Redemption for Taxation Reasons, Description of the October 2010 Senior Notes Redemption for Taxation Reasons, Description of the February 2011 Senior Notes Redemption for Taxation Reasons and Description of the August 2011 Senior 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 2009 Notes Change of Control, Description of the October 2010 Senior Secured Notes Change of Control, Description of the February 2011 Senior Secured Notes Change of Control, Description of the August 2011 Senior Secured Notes Change of Control, Description of the May 2010 Notes Change of Control, Description of the October 2010 Senior Notes Change of Control, Description of the February 2011 Senior Notes Change of Control and Description of the August 2011 Senior Notes Change of Control.

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**Certain Covenants**

Separate indentures govern the terms of each series of the notes.

The indentures governing each series of notes contain 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;

engage in transactions with affiliates;

consolidate, merge or transfer all or substantially all of their assets and the assets of their subsidiaries on a consolidated basis; and

with respect to the senior secured notes, impair the security interests.

These covenants are subject to a number of important limitations and exceptions as described under Description of the 2009 Notes Certain Covenants, Description of the October 2010 Senior Secured Notes Certain Covenants, Description of the February 2011 Senior Secured Notes Certain Covenants, Description of the August 2011 Senior Secured Notes Certain Covenants, Description of the May 2010 Notes Certain Covenants, Description of the October 2010 Senior Notes Certain Covenants, Description of the February 2011 Senior Notes Certain Covenants and Description of the August 2011 Senior Notes Certain Covenants.

**No Public Market**

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

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

The indentures, the senior secured notes, the senior notes, 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 senior secured 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 with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult, Description of the 2009 Notes Governing Law, Description of the October 2010 Senior Secured Notes Governing Law, Description of the February 2011 Senior Secured Notes Governing Law, Description of the August 2011 Senior Secured Notes Governing Law and Certain Insolvency and Other Local Law Considerations.

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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:

	<b>Interim Financial Information</b>		<b>Annual Financial Information</b>				
	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b><i>RGHL Group</i></b>	Financial Statements as of and for the three month period ended March 31, 2012 (Unaudited IFRS)	Financial Statements for the three month period ended March 31, 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)	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)****
					Financial Statements as of December 31, 2009 (Audited IFRS)		
<b><i>BP I(1)</i></b>	Financial Statements as of and for the three month period ended March 31, 2012 (Unaudited IFRS)	Financial Statements for the three month period ended March 31, 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)	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)****

(Unaudited IFRS)  
IFRS)

IFRS)\*\*\* IFRS)\*\*\*\*

Financial  
Statements  
as of  
December 31,  
2009  
(Audited  
IFRS)

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	Interim Financial Information		Annual Financial Information				
	2012	2011	2011	2010	2009	2008	2007
<b><i>Beverage Packaging Holdings Group(2)</i></b>	Financial Statements as of and for the three month period ended March 31, 2012 (Unaudited IFRS)	Financial Statements for the three month period ended March 31, 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)	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)****
<b><i>RGHL Group Predecessor/ North American Operations of IP s Bev Pack Business</i></b>	N/A	N/A	N/A	N/A	Financial Statements as of December 31, 2009 (Audited IFRS)	N/A	Selected financial information for the one month period from January 1, 2007 to January 31, 2007 (Audited U.S. GAAP)
<b><i>Pactiv(3)</i></b>	N/A	N/A	N/A	Financial information of Pactiv for the period from January 1, 2010 to November 15, 2010, as extracted from Pactiv s accounting records (Unaudited	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)



U.S. GAAP)

Financial  
Statements as  
of and for the  
three and nine  
month periods  
ended  
September 30,  
2010  
(Unaudited  
U.S. GAAP)

<i>Dopaco(3)</i>	N/A	Financial information of Dopaco for the three month period ended March 27, 2011 (Unaudited 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
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	Interim Financial Information		Annual Financial Information				2007
	2012	2011	2011	2010	2009	2008	
<i>Graham Packaging</i> (3)	N/A	Financial information of Graham Packaging for the three month period ended March 31, 2011 (Unaudited U.S. GAAP)	Financial Statements for the three month periods ended June 30, 2011 and as of June 30, 2011 (Unaudited U.S. GAAP)	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)			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 each series of senior secured 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 indentures 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 December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.
- \*\* 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.
- \*\*\*\* 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.

## **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.

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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 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.

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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 March 31, 2012 and for the three months ended March 31, 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 months 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 months 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

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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 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 Graham Packaging, Dopaco and Pactiv 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, the Collateral and the Notes** The calculation of EBITDA pursuant to the indentures 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.

## **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.

## **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.



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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Business Combinations</i></b>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) its percentage of the fair value of the net assets of the acquired entity; or</li> <li>(b) its percentage of the fair value of the identifiable net assets of the acquired entity.</li> </ul> <p>This election is applied on an acquisition by acquisition basis.</p> <p>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.</p> <p>Unlike under U.S. GAAP, push down accounting, whereby fair value adjustments are recognized in the financial statements of the acquiree, is not required.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Under U.S. GAAP, push down accounting is required whereby fair value adjustments are recognized in the financial statements of the acquiree.</p>

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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Post-Retirement Benefits</i></b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Plan assets should always be measured at fair value and fair value should be used to determine the expected return on plan assets.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

***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.

recognizes changes in fair value in a systematic and rational manner over not more than five years. 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.

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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
	<p>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.</p>	<p>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.</p>
<b><i>Goodwill</i></b>	<p>IFRS does not have a concept of variable interest entities, or VIEs, or qualifying SPEs, or QSPEs.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>A two-step impairment test is required:</p> <p>(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</p> <p>(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.</p>



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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Property, Plant and Equipment</i></b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset.</p>	<p>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.</p> <p>All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement.</p> <p>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.</p> <p>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.</p>
<b><i>Impairment Testing</i></b>	<p>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 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</p>	<p>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</p>

and from its disposal at the end of its useful life. 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.

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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Stock-Based Compensation</i></b>	<p>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.</p> <p>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.</p> <p>Employers' social security liability arising from share-based payment transactions is recognized over the same period or periods as the share-based payment charge.</p>	<p>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).</p> <p>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:</p> <ul style="list-style-type: none"> <li>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</li> <li>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).</li> </ul> <p>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.</p>
<b><i>Leases</i></b>	<p>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.</p>	<p>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.</p>



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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Income Taxes</i></b>	<p>Income taxes are calculated using the tax rates that are either enacted or substantively enacted at the balance sheet date.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Income taxes are calculated using enacted tax rates at the balance sheet date.</p> <p>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.</p> <p>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.</p> <p>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. Derivatives are defined similarly to IFRS; however, U.S. GAAP also requires that the derivative contract provide for net settlement.</p>
<b><i>Financial Instruments</i></b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>An embedded derivative is separated from the host contract if it is determined that the</p>	<p>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.</p> <p>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.</p> <p>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</p>

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.

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.

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<b>Topic</b>	<b>IFRS</b>	<b>U.S. GAAP</b>
<b><i>Inventories</i></b>	<p>Inventories are measured at the lower of cost and net realizable value.</p> <p>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.</p> <p>Net realizable value is the estimated selling price less the estimated costs of completion and sale.</p> <p>If the net realizable value of an item that has been written down increases subsequently, then the write-down is reversed.</p>	<p>Inventories are measured at the lower of cost and market.</p> <p>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.</p> <p>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).</p> <p>Under U.S. GAAP, a write-down of inventory to market is not reversed for subsequent recoveries in value.</p>
<b><i>Provisions</i></b>	<p>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.</p> <p>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.</p>	<p>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.</p>
<b><i>Debt Issuance Costs</i></b>	<p>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.</p>	<p>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.</p>

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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 2012 Refinancing Transactions, the Graham Packaging Transaction, the Dopaco Acquisition, and the 2011 Refinancing Transactions. For information regarding the 2012 Refinancing Transactions, the Graham Packaging Transaction, the Dopaco Acquisition, and the 2011 Refinancing 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, Select 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, have been under common ownership and control through entities ultimately 100% owned by 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

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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 March 31, 2012 and for the three month periods ended March 31, 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 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 financial information does not include an unaudited pro forma combined balance sheet as each of the Pro Forma Transactions was completed prior to, and is reflected in, the historical interim unaudited condensed balance sheet of the RGHL Group as of March 31, 2012, included elsewhere in this prospectus.

The RGHL Group incurred cash outlays of approximately \$130 million from the date of the Pactiv Acquisition through March 31, 2012 related to the integration of Pactiv. Because these 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, except to the extent the costs were incurred as of March 31, 2012 and are reflected in the historical financial statements of the RGHL Group. These costs will be substantial and could have an adverse effect on our results of operations.

The RGHL Group incurred costs associated with completing the Graham Packaging Acquisition. In addition, the RGHL Group expects to incur cash outlays of approximately \$75 million of additional costs by the end of 2013 to achieve the expected cost savings and synergies from the Graham Packaging Acquisition, of which \$14 million has been incurred through March 31, 2012. Cash outlays include both expenses and capital expenditures associated with integrating Graham Packaging into RGHL's operations and are separate from the costs associated with the Graham

Packaging Acquisition. Expenses incurred under our planned integration program generally will include exit, disposal, severance and other costs. The costs will be substantial and could have an adverse effect on our results of operations.

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.

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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 this unaudited pro forma combined financial information and should not be taken as being indicative of our future consolidated results of operations or financial position. The 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 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 do not include adjustments for (i) 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 Pactiv Transaction, the Dopaco Acquisition, the Graham Packaging Acquisition or as a result of any of the other acquisitions we have completed, or (ii) the prospective impact of costs directly related to the Pro Forma Transactions or any of the other acquisitions we have completed. 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**

	<b>RGHL Combined Group(1)</b>		
	<b>For the</b>		
	<b>For the Year</b>		<b>Three Months Ended</b>
	<b>Ended</b>		<b>March 31,</b>
	<b>December 31,</b>		<b>March 31,</b>
	<b>2011</b>	<b>2011</b>	<b>2012</b>
	<b>(IFRS)</b>		
	<b>(In \$ millions)</b>		
<b>Income Statement</b>			
<b>Revenue</b>	\$ <b>14,068</b>	\$ <b>3,230</b>	\$ <b>3,312</b>
Cost of sales	(11,742)	(2,683)	(2,714)
<b>Gross profit</b>	<b>2,326</b>	<b>547</b>	<b>598</b>
Other income	87	24	91
Selling, marketing and distribution expenses	(424)	(101)	(85)
General and administration expenses	(778)	(199)	(208)
Other expenses	(508)	(64)	(70)
Share of profit of associates and joint ventures, net of income tax (equity method)	17	6	5



<b>Profit (loss) from operating activities</b>	<b>720</b>	<b>213</b>	<b>331</b>
Financial income	23	101	137
Financial expenses	(1,670)	(394)	(376)
<b>Net financial expenses</b>	<b>(1,647)</b>	<b>(293)</b>	<b>(239)</b>
<b>Profit (loss) before income tax</b>	<b>(927)</b>	<b>(80)</b>	<b>92</b>
Income tax benefit (expense)	107	36	(32)
<b>Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions</b>	<b>\$ (820)</b>	<b>\$ (44)</b>	<b>\$ 60</b>

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	<b>RGHL Combined Group(1)</b>		
	<b>For the</b>		
	<b>Three Months Ended</b>		
	<b>For the Year</b>		
	<b>Ended</b>	<b>March 31,</b>	
	<b>December 31,</b>		
	<b>2011</b>	<b>2011</b>	<b>2012</b>
	<b>(IFRS)</b>		
	<b>(In \$ millions except ratios)</b>		
<b>Pro Forma Other Financial Data:</b>			
Total Capital Expenditure	\$ 603	\$ 144	\$ 136
RGHL Combined Group EBITDA(2)	1,954	516	619
RGHL Combined Group Adjusted EBITDA(3)	2,529	564	605
Pro Forma Ratio of earnings to fixed charges(4)			1.2

- (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 for management's discretionary use, 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 our profit (loss) from continuing operations for the period presented:

	<b>RGHL Combined Group(1)</b>		
	<b>For the</b>		
	<b>Three Months Ended</b>		
	<b>For the Year</b>		
	<b>Ended</b>	<b>March 31,</b>	
	<b>December 31,</b>		
	<b>2011</b>	<b>2011</b>	<b>2012</b>

		<b>(IFRS)</b>		
		<b>(In \$ millions)</b>		
<b>Profit (loss) from continuing operations</b>	<b>\$</b>	<b>(820)</b>	<b>\$ (44)</b>	<b>\$ 60</b>
Income tax (benefit) expense		(107)	(36)	32
Net financial expenses		1,647	293	239
Depreciation and amortization		1,234	303	288
<b>RGHL Combined Group EBITDA(2)</b>	<b>\$</b>	<b>1,954</b>	<b>\$ 516</b>	<b>\$ 619</b>

- (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 period determined in accordance with IFRS or operating cash flows determined in

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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 for management's discretionary use, 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 following table reconciles the RGHL Combined Group EBITDA calculation presented above to the RGHL Combined Group Adjusted EBITDA for the period presented:

	<b>RGHL Combined Group</b>		
	<b>For the Three Months</b>		
	<b>Ended</b>		
	<b>For the Year</b>	<b>March 31,</b>	
	<b>Ended</b>	<b>2011</b>	
	<b>December 31,</b>	<b>2012</b>	
	<b>2011</b>	<b>2011</b>	
	<b>(IFRS)</b>		
	<b>(In \$ millions)</b>		
<b>RGHL Combined Group EBITDA</b>	<b>\$ 1,954</b>	<b>\$ 516</b>	<b>\$ 619</b>
Restructuring costs(a)	88	47	27
Impairment of non-current assets(b)	15	1	15
Equity method joint venture profit not distributed in cash(c)	(10)	(4)	(3)
Consulting fees for business optimization projects(d)	42	5	2
Non-cash pension expense (income)(e)	(42)	(12)	(13)
Effect of purchase price accounting on inventories and leases(f)	32		
VAT and Customs duties on historical imports(g)	1		
Gain on sale of businesses(h)	(5)		(66)
Business interruption costs(i)	2		
Costs related to business acquisitions and integrations(j)	97	4	20
Unrealized (gain) loss on derivatives(k)	26	(4)	(9)
Non-cash inventory charge(l)	3		9
SEC registration costs(m)	6		4
Gain from modification of retiree medical plan benefits(n)	(25)		
ITR agreements(o)	234	5	
Fees relating to Graham Packaging's terminated related party monitoring agreement(p)	1		
Graham Packaging acquisition and integration expenses(q)	4		
Graham Packaging transaction related expenses(r)	89	1	
Graham Packaging reorganization and other costs(s)	11		
Other(t)	6	5	

<b>RGHL Combined Group Adjusted EBITDA</b>	<b>2,529</b>	<b>564</b>	<b>605</b>
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- (a) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures.
- (b) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount in the RGHL Group and Graham Packaging.
- (c) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash of the RGHL Group.

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- (d) Reflects costs incurred at our Reynolds Consumer Products segment and our Pactiv Foodservice segment designed to optimize business processes, including the purchase of raw material and other inputs.
- (e) Reflects non-cash pension expense or income included in results of operations.
- (f) Reflects the fair value adjustment to inventories and leases as a result of the purchase price accounting exercise against cost of sales.
- (g) Reflects customs duties and VAT taxes on historical imports.
- (h) Reflects a total gain on sale of \$5 million for the year ended December 31, 2011, on disposal of one of Closures European businesses. Reflects a total gain on sale of \$66 million for the three months ended March 31, 2012, on disposal of Pactiv Foodservice's laminating operations in Louisville, Kentucky.
- (i) Reflects business interruption costs (net of insurance recoveries in 2011) at:
  - SIG in 2011 as a result of hail damage at its plant in Wittenberg, Germany;
  - Closures in 2011 as a result of an earthquake in Japan; and
  - Reynolds consumer products business in 2009 as a result of flood damage and related insurance recoveries in 2011.
- (j) Reflects costs incurred by the RGHL Group related to business acquisitions and to the integration of Pactiv and Graham Packaging and payments made to executives and members of management of Graham Packaging as a result of the change in control events associated with the Graham Packaging Acquisition.
- (k) Reflects the adjustments for unrealized gains or losses on derivatives.
- (l) Reflects non-cash charges related to changes in the methodology of computing the monthly inventory standards at the Pactiv Foodservice and Reynolds Consumer Products segments.
- (m) Reflects the cost incurred by the RGHL Group related to the SEC registration process.
- (n) Represents the gain from modification of retiree medical plan benefits.
- (o) Reflects amounts in respect of the ITR agreements, which were terminated as a result of the Graham Packaging Acquisition.
- (p) Represents annual fees paid to Donald C. Graham, his family and affiliated entities and Graham Packaging's financial sponsors in connection with a monitoring agreement.
- (q) Represents costs related to the acquisition and integration of the Liquid Entities, China Roots Packaging PTE Ltd. ( China Roots ) and other entities by Graham Packaging.
- (r) Represents costs related to the terminated merger with Silgan Holdings Inc. and the subsequent acquisition costs by the RGHL Group.

- (s) Represents costs related to the OnTech arbitration, plant closures, employee severance and other costs.
- (t) Represents the net loss on disposal of fixed assets, stock-based compensation expense, non-cash equity income from non-consolidated entities and Venezuelan hyper-inflationary accounting for Graham Packaging, and certain expenses associated with historical Dopaco operations.
- (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 the period presented, the ratio coverage was less than 1.0x. The RGHL Combined Group would have needed to generate additional earnings of \$942 million and \$86 million for the year ended December 31, 2011 and for the three months ended March 31, 2011, respectively, to achieve a coverage of 1.0x.

Table of Contents**Summary Historical RGHL Group Financial Information**

	<b>RGHL Group</b>				
	<b>Year Ended December 31,</b>			<b>Three Months Ended</b>	
	<b>2009( )</b>	<b>2010(* )</b>	<b>2011(** )</b>	<b>2011(***)</b>	<b>2012(**** )</b>
	<b>(IFRS)</b>				
	<b>(In \$ millions)</b>				
<b>Income Statement</b>					
<b>Revenue</b>	<b>\$ 5,910</b>	<b>\$ 6,774</b>	<b>\$ 11,789</b>	<b>\$ 2,367</b>	<b>\$ 3,312</b>
Cost of sales	(4,691)	(5,524)	(9,725)	(1,924)	(2,714)
<b>Gross profit</b>	<b>1,219</b>	<b>1,250</b>	<b>2,064</b>	<b>443</b>	<b>598</b>
Other income	201	102	87	23	91
Selling, marketing and distribution expenses	(211)	(231)	(347)	(82)	(85)
General and administration expenses	(366)	(392)	(628)	(152)	(208)
Other expenses	(96)	(80)	(268)	(57)	(70)
Share of profit of associates and joint ventures, net of income tax (equity method)	11	18	17	6	5
<b>Profit (loss) from operating activities</b>	<b>758</b>	<b>667</b>	<b>925</b>	<b>181</b>	<b>331</b>
Financial income	21	66	22	101	137
Financial expenses	(513)	(752)	(1,420)	(381)	(372)
<b>Net financial income (expenses)</b>	<b>(492)</b>	<b>(686)</b>	<b>(1,398)</b>	<b>(280)</b>	<b>(235)</b>
<b>Profit (loss) before income tax</b>	<b>266</b>	<b>(19)</b>	<b>(473)</b>	<b>(99)</b>	<b>96</b>
Income tax benefit (expense)	(149)	(78)	56	45	(33)
<b>Profit (loss) from continuing operations for the period</b>	<b>\$ 117</b>	<b>\$ (97)</b>	<b>\$ (417)</b>	<b>\$ (54)</b>	<b>\$ 63</b>

\* 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.

\*\*\*



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Represents three months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments (excluding the operations of Dopaco which were acquired on May 2, 2011).

\*\*\*\* Represents three 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.

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	<b>RGHL Group</b>			<b>As of</b>
	<b>As of December 31,</b>			<b>March 31,</b>
	<b>2009(* )</b>	<b>2010(** )</b>	<b>2011(***)</b>	<b>2012(***)</b>
	<b>(IFRS)</b>			
	<b>(In \$ millions)</b>			
<b>Balance Sheet Data</b>				
Cash and cash equivalents	\$ 516	\$ 664	\$ 597	\$ 1,253
Trade and other receivables	683	1,150	1,506	1,521
Inventories	756	1,281	1,773	1,856
Property, plant and equipment	1,825	3,266	4,535	4,508
Investment property	76	68	29	30
Intangible assets	3,279	8,748	12,531	12,477
Other assets	627	799	917	1,005
<b>Total assets</b>	<b>7,762</b>	<b>15,976</b>	<b>21,888</b>	<b>22,650</b>
Trade and other payables	761	1,246	1,758	1,843
Borrowings current	112	141	521	77
Borrowings non-current	4,842	11,701	16,625	17,709
Other liabilities	943	2,624	3,161	3,116
<b>Total liabilities</b>	<b>6,658</b>	<b>15,712</b>	<b>22,065</b>	<b>22,745</b>
<b>Net assets (liabilities)</b>	<b>\$ 1,104</b>	<b>\$ 264</b>	<b>\$ (177)</b>	<b>\$ (95)</b>

\* 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.

\*\*\* 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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	<b>RGHL Group</b>				
	<b>Year Ended December 31,</b>			<b>Three Months Ended</b>	
	<b>2009( )</b>	<b>2010(* )</b>	<b>2011(** )</b>	<b>March 31,</b>	<b>2012(**** )</b>
			<b>(IFRS)</b>		
			<b>(In \$ millions)</b>		
<b>Other Financial Data</b>					
Total capital expenditures	\$ 292	\$ 337	\$ 520	\$ 105	\$ 136
RGHL Group EBITDA(1)	1,260	1,171	1,897	384	619
RGHL Group Adjusted EBITDA(2)	1,130	1,251	2,124	417	605
Ratio of earnings to fixed charges(3)	1.6				1.3
<b>Cash Flow Statement Data</b>					
Net cash flows from (used in) operating activities	770	383	443	169	86
Net cash flows from (used in) investing activities	(135)	(4,588)	(2,502)	(99)	(20)
Net cash flows from (used in) financing activities	(501)	4,345	2,006	450	581

\* 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 three months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments (excluding the operations of Dopaco which were acquired on May 2, 2011).

\*\*\*\* Represents three 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:

	<b>RGHL Group</b>				
	<b>Year Ended December 31,</b>			<b>Three Months Ended</b>	
	<b>2009</b>	<b>2010*</b>	<b>2011(** )</b>	<b>March 31,</b>	<b>2012(**** )</b>
			<b>(IFRS)</b>		

(In \$ millions)

<b>Profit (loss) from continuing operations</b>	<b>\$ 117</b>	<b>\$ (97)</b>	<b>\$ (417)</b>	<b>\$ (54)</b>	<b>\$ 63</b>
Income tax (benefit) expense	149	78	(56)	(45)	33
Net financial expenses	492	686	1,398	280	235
Depreciation and amortization	502	504	972	203	288
<b>RGHL Group EBITDA(1)</b>	<b>\$ 1,260</b>	<b>\$ 1,171</b>	<b>\$ 1,897</b>	<b>\$ 384</b>	<b>\$ 619</b>

\* 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.

\*\*\* Represents three months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments (excluding the operations of Dopaco which were acquired on May 2, 2011).

\*\*\*\* Represents three 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) 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 for management's discretionary use, 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 for management's discretionary use, 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



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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:

	<b>RGHL Group</b>				
	<b>Year Ended December 31,</b>			<b>Three Months Ended</b>	
	<b>2009( )</b>	<b>2010(* )</b>	<b>2011(** )</b>	<b>2011(***)</b>	<b>2012(**** )</b>
	<b>(IFRS)</b>				
	<b>(In \$ millions)</b>				
<b>RGHL Group EBITDA</b>	<b>\$ 1,260</b>	<b>\$ 1,171</b>	<b>\$ 1,897</b>	<b>\$ 384</b>	<b>\$ 619</b>
Adjustment related to settlement of a lease obligation(a)		(2)			
Restructuring costs(b)	58	9	88	46	27
Termination of supply agreement(c)		7			
Black Liquor Credit(d)	(214)	(10)			
Related party management fees(e)	3	1			
Impairment of non-current assets(f)	13	28	12		15
Equity method joint venture profit not distributed in cash(g)	(10)	(14)	(10)	(4)	(3)
Consulting fees for business optimization projects(h)	13	8	42	5	2
Non-cash pension expense (income)(i)		(5)	(42)	(12)	(13)
Korean insurance claim(j)	(2)				
Venezuela receivable(k)	1				
Legal costs related to the acquisition of Blue Ridge Paper Products, Inc.(l)	1				
Write-down of assets held for sale(m)	1				
Transition costs(n)	24				
Effect of purchase price adjustment on inventories and leases(o)		63	32		
VAT and Customs duties on historical imports(p)	3	10	1		
Gain on sale of businesses and investment properties(q)		(16)	(5)		(66)
Business interruption costs(r)	5	2	2		
Costs related to business acquisitions and integrations(s)		12	97	2	20
Closure Systems International Americas, Inc. gain on acquisition(t)		(10)			
Unrealized (gain) loss on derivatives(u)	(129)	(3)	26	(4)	(9)
Plant realignment costs(v)	2				
Loss on sale of Baco assets(w)	1				
Elimination of historical Reynolds Consumer hedging policy(x)	95				
Inventory write-off(y)	5				
Non-cash inventory charge(z)			3		9
SEC registration costs(aa)			6		4

Gain from modification of retiree medical  
plan benefits(bb)

(25)

<b>RGHL Group Adjusted EBITDA</b>	<b>\$ 1,130</b>	<b>\$ 1,251</b>	<b>\$ 2,124</b>	<b>\$ 417</b>	<b>\$ 605</b>
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- \* 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 three months of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments (excluding the operations of Dopaco which were acquired on May 2, 2011).
- \*\*\*\* Represents three 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 the reversal of excess reserves for Baco leasing obligations that were settled in 2010.
- (b) 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 March 31, 2012 and for the three month periods ended March 31, 2011 and 2012.
- (c) Reflects amounts paid to settle the termination of a supply contract at Pactiv Foodservice.
- (d) 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.
- (e) Reflects an expense for management fees relating to executives of Evergreen.
- (f) 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 three month period ended March 31, 2012.
- (g) 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 March 31, 2012 and for the three month periods ended March 31, 2011 and 2012.
- (h) Reflects consulting fees incurred at our Evergreen segment, our Reynolds Consumer Products segment and our Pactiv Foodservice segment to optimize business processes, including the purchase of raw material and other

inputs.

- (i) Reflects non-cash pension expense or income included in results of operations.
- (j) Reflects the settlement in 2009 of an insurance claim for costs in connection with a fraud in the Korean business, which occurred at Evergreen in 2007.
- (k) Reflects write-off of related party receivables in the Venezuela operations.
- (l) Reflects an expense for legal fees related to the acquisition of Blue Ridge Paper Products, Inc. in 2007, which were incurred subsequent to the initial purchase accounting adjustments.
- (m) Reflects write-down on assets held for sale.

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- (n) Reflects incremental costs incurred by RGHL associated with transitioning the Reynolds consumer products business from Alcoa, including costs related to IT systems and duplicative shared services during the transition period.
- (o) Reflects the fair value adjustment to inventories and leases as a result of the purchase price accounting exercise against cost of sales.
- (p) Reflects customs duties and VAT taxes on historical imports.
- (q) 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 three months ended March 31, 2012, the gain on sale of business was \$66 million on disposal of Pactiv Foodservice's laminating operations in Louisville, Kentucky.
- (r) Reflects business interruption costs (net of insurance recoveries) at:
  - SIG in 2011 as a result of hail damage at its plant in Wittenberg, Germany;
  - Closures in 2011 as a result of an earthquake in Japan and in 2010 as a result of an earthquake in Chile; and
  - Reynolds consumer products business in 2009 as a result of flood damage and related insurance recoveries in 2010 and 2011.
- (s) Reflects costs incurred by the RGHL Group related to business acquisitions and integrations.
- (t) 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).
- (u) Reflects the adjustments for unrealized gains or losses on derivatives.
- (v) Reflects plant realignment costs in 2009.
- (w) Reflects a loss of \$1 million on sale of Baco assets in 2009.
- (x) Reflects the impact of the elimination of the historical hedging policy in 2009.
- (y) Reflects a write-off of inventory in the Reynolds foodservice packaging business from restructuring and business rationalization activities.
- (z) Reflects non-cash charges related to changes in the methodology of computing the monthly inventory standards at the Pactiv Foodservice and Reynolds Consumer Products segments.
- (aa) Reflects costs incurred by the RGHL Group related to the SEC registration process.
- (bb) Represents the gain from modification of retiree medical plan benefits.

- (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 and \$103 million for the years ended December 31, 2010 and 2011 and for the three months ended March 31, 2011, 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 impair 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 for the period since 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 are in the process of combining Dopaco with our Pactiv Foodservice segment.

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

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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. In addition, such unaudited pro forma combined financial information is based in part on certain assumptions regarding the Graham Packaging Transaction that the RGHL Group believes are reasonable. 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. The preliminary allocation of the purchase price in connection with the Graham Packaging Acquisition as reflected in the unaudited pro forma combined financial information is based upon our preliminary estimates of the values of assets acquired and liabilities assumed. For more information, see Unaudited Pro Forma Combined Financial Information. The final purchase price allocations may be different than those reflected in the preliminary pro forma purchase price allocations, and the differences may be material.

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. 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, a 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



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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 and natural gas, to minimize the impact of such fluctuations, we generally have not entered into hedging arrangements for plastic resin or 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 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 23% 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,

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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 to 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.

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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 2008 and 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

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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 cyclicity 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



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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

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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 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.

For a discussion of risks and liabilities relating to the Canton mill's wastewater discharge permit, see Business Overview - Evergreen - Regulatory.

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

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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.

***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 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. Additionally, we

experienced a flood at one of our locations in 2009, which required us to suspend production at that facility for a short period of time. Similarly,

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we were affected by earthquakes in Chile in 2010, which caused one of Closures facilities to suspend its operations for approximately two months.

***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



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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.

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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.

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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 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

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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.

*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.



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***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 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.***

SIG currently sells, and our other segments may in the future sell, a significant portion of its trade receivables through 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.



**Table of Contents*****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

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our consolidated results, which include the financial results of such acquired businesses, under IFRS. In addition, we have never been directly subject to the reporting and other requirements of the Exchange Act.

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 February 2012 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. Any additional reporting and other requirements of the Exchange Act will 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 and the agreement governing the Senior Secured Credit Facilities. Such failure would constitute an event of default under the 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.

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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 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 totaled \$18,140 million as of March 31, 2012. Refer to note 14 of the RGHL Group's interim unaudited condensed financial statements as of March 31, 2012, included elsewhere in this prospectus, for details of the RGHL Group's borrowings as of March 31, 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, the

February 2012 Notes and the 2007 Notes, 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, the February 2012 Notes and the 2007 Notes and in the terms of our Senior Secured Credit Facilities. Under the indentures governing the notes, the February 2012 Notes and the



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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 our 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 our senior notes, the February 2012 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 covenants. 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 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 covenants. 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 covenants.

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 the February 2012 Notes 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 February 2012 Notes and the 2007 Notes, prior to discharge of the Senior Secured Credit Facilities or such future indebtedness. The 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 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

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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 the indentures governing the notes, 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, the February 2012 Notes and the 2007 Notes, 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, 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 March 31, 2012, we had \$18,140 million of outstanding indebtedness and our annual cash interest obligations on our Senior Secured Credit Facilities, the notes, and our other indebtedness are expected to be \$1,450 million. 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, the February 2012 Notes and the 2007 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.

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***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, 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 U.S., 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 March 31, 2012, net of hedging instruments, we had \$4,610 million of variable rate debt outstanding. 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 (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 will 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.

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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.

***The issuer of the 2007 Notes is a finance subsidiary that has no revenue generating operations and depends on payments received under proceeds loans to make payments on the 2007 Notes.***

The issuer of the 2007 Notes is a finance subsidiary that was formed in connection with the offering of the 2007 Notes. The issuer of the 2007 Notes is not permitted to engage in any activities other than the issuance of the 2007 Notes, shares, any additional notes and any other permitted debt and activities that are incidental to or necessary or convenient to the foregoing. The issuer of the 2007 Notes has no subsidiaries and its only material asset and potential source of income is its right to receive payments under its loans to BP I of the proceeds of the 2007 Notes (the 2007 Proceeds Loans ). The ability of the issuer of the 2007 Notes to make payments on the 2007 Notes is therefore dependent on the payments received under the 2007 Proceeds Loans and other funds that may be received from BP I and its subsidiaries. However, there is no obligation on the part of BP I and its subsidiaries to provide funds to the issuer of the 2007 Notes other than the guarantees mentioned below and the 2007 Proceeds Loans. If payments on the 2007 Proceeds Loans are not made by BP I, for whatever reason, the issuer of the 2007 Notes may not have funds available to it that would permit it to make payments on the 2007 Notes. In such circumstances, the holders of the 2007 Notes would have to rely upon claims for payment under the guarantees and recovery, if any, under the pledges of the 2007 Proceeds Loans (which are not first ranking), which claims and recoveries would be subject to a number of significant risks, including those described below.

BP I, the borrower under the 2007 Proceeds Loans, is an intermediate holding company that is an indirect parent company of our operating subsidiaries. BP I has no material assets other than shares of its subsidiaries and certain intercompany loans, payables and receivables. As a consequence of the foregoing, BP I s ability to make payments under the 2007 Proceeds Loans and, in turn, the issuer of the 2007 Notes ability to make payments on the 2007 Notes, will be substantially dependent upon dividends, loans and other intercompany payments from BP I s subsidiaries. BP I s subsidiaries may not be able to generate sufficient cash to make such payments or have adequate distributable reserves to distribute funds to BP I to enable it to make payments on the 2007 Proceeds Loans. Furthermore, the ability of BP I s subsidiaries to distribute earnings to BP I by way of dividends, distributions, interest returns on investments, including repayment of loans and other payments, is subject to various restrictions arising under applicable corporate law (which, for example, limit the amount that may be paid as a dividend out of the retained profit of the relevant entity) and contained in the debt instruments of such subsidiaries, including restrictions imposed by the Senior Secured Credit Facilities, the notes and other existing indebtedness. Future indebtedness of BP I s subsidiaries will also likely limit the ability to make such payments.

The receivables under the 2007 Proceeds Loans are pledged to secure indebtedness under and in connection with the Senior Secured Credit Facilities and the senior secured notes on a basis that ranks ahead of the security over such receivables that was granted for the benefits of the holders of the 2007 Notes. In addition, receivables under the 2007 Proceeds Loans are pledged to secure the indebtedness under the 2007 Senior Notes on a basis that ranks ahead of the security over such receivables that was granted for the benefit of the holders of the 2007 Senior Subordinated Notes.

The 2007 Proceeds Loans are also subject to subordination provisions similar to those applicable to the senior subordinated guarantees of the 2007 Senior Notes and the subordinated guarantees of the 2007 Senior Subordinated Notes, including payment blockage, standstill on enforcement and turnover provisions in favor of the Senior Secured Credit Facilities and the senior secured notes.



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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 notes, the February 2012 Notes, the 2007 Notes and our other indebtedness require us, and our future indebtedness is 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, the February 2012 Notes, the 2007 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.

***We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the respective indentures 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 and the issuer of the 2007 Notes would be required to make an offer to purchase all of the outstanding notes 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 that are tendered upon a change of control offer or to redeem such notes. A failure by the Issuers and the issuer of the 2007 Notes to purchase the notes after a change of control in accordance with the terms of the indentures requiring such purchases would result in a default under the agreement governing the Senior Secured Credit Facilities and the indentures governing the notes, the February 2012 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 indentures 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 2007 Notes, the February 2012 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 addition, the senior secured notes contain restrictions on our ability to repay the 2007 Notes. 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.

***Each series of our notes, the February 2012 Notes, the 2007 Notes, the Senior Secured Credit Facilities and the Pactiv Notes will mature in close proximity to each other, which may limit our ability to repay all amounts owing on the notes at maturity or borrow or otherwise raise the amounts necessary to repay such amounts.***

The February 2012 Notes and the August 2011 Notes will mature on August 15, 2019, the February 2011 Notes will mature on February 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, Pactiv's 6.40% notes due 2018, or the Pactiv 2018 Notes, will mature on January 15, 2018, Pactiv's 8.125% Debentures due 2017 will mature on June 15, 2017, the 2009 Notes will mature on October 15, 2016, 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 February 2012 Notes, the 2007 Notes or the Pactiv Notes at maturity. Given that each series of our notes, the February 2012 Notes, the 2007 Notes, the Senior Secured Credit Facilities and the Pactiv Notes 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, the February 2012 Notes and the 2007 Notes, and the notes, the February 2012 Notes, the 2007 Notes and the related guarantees 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, subject to certain conditions and exceptions, certain subsidiaries of BP I that are borrowers under or guarantee or are expected to guarantee the Senior Secured Credit Facilities, as well as, in the case of the 2007 Notes, the Issuers. The issuer of the 2007 Notes does not guarantee the notes or 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 2009 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the February 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the August 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the May 2010 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Notes Certain Covenants Future Senior Note Guarantors, Description of the February 2011 Senior Notes Certain Covenants Future Senior Note Guarantors and Description of the August 2011 Senior Notes Certain Covenants Future Senior Note Guarantors. The indentures governing the notes do not limit the transfer of assets to, or the making of

investments in, any of our restricted subsidiaries, including our non-guarantor subsidiaries.

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In addition, although Graham Holdings and certain of its subsidiaries have guaranteed the notes, not every subsidiary of Graham Holdings, including all such subsidiaries organized outside the United States, will provide a guarantee.

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, the issuer of the 2007 Notes 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 indentures governing the notes permit our subsidiaries, including our non-guarantor subsidiaries, to incur additional debt (subject to certain conditions and limitations with respect to restricted subsidiaries) and do not limit their ability to incur trade payables and similar liabilities.

***Fraudulent conveyance laws and other similar limitations may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security.***

The notes, the February 2012 Notes, the 2007 Notes, the related guarantees and any security securing the senior secured 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, the Issuers or the issuer of the 2007 Notes 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, the issuer of the 2007 Notes, a relevant guarantor or a security provider will be subject to certain defenses available to the Issuers, the issuer of the 2007 Notes, 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, the issuer of the 2007 Notes 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, the issuer of the 2007 Notes, guarantor or security provider, as applicable, issued the notes or incurred obligations under a guarantee or any security, such Issuer, the issuer of the 2007 Notes, 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

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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, a guarantor or a 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 February 2012 Notes, the 2007 Notes, the guarantees and, in the case of the senior secured notes, the security.***

Any insolvency proceedings with regard to any Issuer, the issuer of the 2007 Notes, a guarantor or, if applicable, a 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, a guarantor or a 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.

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As a general matter, under insolvency law, any Issuer's, the issuer of the 2007 Notes, any guarantor's or any security provider's liabilities in respect of the notes and the guarantees and, if applicable, security, may, in the event of insolvency or similar proceedings, rank junior to certain of such Issuer's, the issuer of the 2007 Notes or guarantor's or any 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 with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult.***

The notes and the February 2012 Notes are joint and several obligations of the Issuers. The 2007 Notes were offered by an entity organized under the laws of Luxembourg. The notes, the February 2012 Notes and the 2007 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. The Issuers, the issuer of the 2007 Notes, BP I and certain of its subsidiaries have also granted security over certain of their assets to secure the obligations of the Issuers and the issuer of the 2007 Notes (as applicable) under the senior secured notes, the 2007 Notes and the related guarantees. 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 in respect of the senior secured notes will be subject to the laws of several jurisdictions and holders of the senior secured notes and the 2007 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, the issuer of the 2007 Notes, 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 senior secured 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 noteholders. In order to mitigate this risk the collateral agents have entered or will enter, as applicable, into a parallel debt undertaking pursuant to which the collateral agents hold the secured claims in an amount equal to the principal amount of the senior secured notes plus certain other amounts for the benefit of the trustee and the holders of the senior secured notes. Accordingly, the rights of the holders of senior secured 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 relevant collateral agent. The parallel debt undertaking secures the senior



secured 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

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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 most of the guarantors as well as the Lux Issuer and the issuer of the 2007 Notes 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, the issuer of the 2007 Notes 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 and the issuer of the 2007 Notes are public limited liability companies (société anonyme) organized under the laws of Luxembourg. Certain of their officers and directors may be 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 or the issuer of the 2007 Notes 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 indentures 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

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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, the issuer of the 2007 Notes or other members of the RGHL Group and are not required to do so in the future under the indentures 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, the issuer of the 2007 Notes or other members of the RGHL Group in this prospectus and may not be required to do so in the future under the indentures governing the notes. The absence of financial statements for the Issuers, the issuer of the 2007 Notes 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 indentures governing the notes.

***Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes, the February 2012 Notes or the 2007 Notes and the senior secured notes have only been secured by a limited pledge of certain of such foreign subsidiaries' capital stock, with no pledge of the assets of any non-U.S. subsidiaries of our U.S. subsidiaries.***

Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes, the February 2012 Notes or the 2007 Notes, and the notes, the February 2012 Notes and the 2007 Notes are and will be structurally subordinated to all claims of creditors, including trade creditors, of such non-U.S. subsidiaries.

In addition, with respect to the senior secured notes, the 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 first-tier non-U.S. subsidiaries. The senior secured 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 senior secured 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.

***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 2009 Notes Withholding Taxes, Description of the October 2010 Senior Secured Notes Withholding Taxes, Description of the February 2011 Senior Secured Notes Withholding Taxes, Description of the August 2011 Senior Secured Notes Withholding Taxes, Description of the May 2010 Notes Withholding Taxes, Description of the October 2010 Senior Notes Withholding Taxes, Description of the February 2011 Senior Notes Withholding Taxes and Description of the

August 2011 Senior Notes Withholding Taxes. In addition, government or central bank approvals may be required in order for a guarantor, the Issuer or a security provider organized under the laws of certain jurisdictions, such as Thailand, to remit payments outside that jurisdiction under its guarantee or security.

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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.*

If you measure your investment returns in a currency other than the currency in which the notes, the February 2012 Notes or the 2007 Notes are denominated (dollars or euros, as the case may be), investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the dollar or the euro, as applicable, 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 or the euro, as applicable, against the currency in which you measure your investment returns would cause a decrease in the effective yield of the notes, the February 2012 Notes and the 2007 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, the February 2012 Notes and the 2007 Notes have the benefit of the guarantees of and, with respect to the senior secured notes, security from RGHL, BP I and certain of its subsidiaries, including the Issuers. In addition, the 2007 Notes have the benefit of security from RGHL and the issuer of the 2007 Notes. However, the guarantees and, with respect to the senior secured notes, 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, with respect to the senior secured notes, a security provider's liability under a guarantee or a grant 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, with respect to the senior secured notes and the 2007 Notes, 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 similar limitations may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security. 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 2009 Notes Note Guarantees, Description of the October 2010 Senior Secured Notes Senior Secured Note Guarantees, Description of the February 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the August 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the May 2010 Notes Note Guarantees, Description of the October 2010 Senior Notes Senior Note Guarantees, Description of the February 2011 Senior Notes Senior Note Guarantees and Description of the August 2011 Senior Notes Senior Note Guarantees.

As a result, an entity's liability under its guarantee or, with respect to the senior secured notes, its security, could be materially reduced or eliminated depending upon the amounts of its other obligations and

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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, the February 2012 Notes and the 2007 Notes from recovering payments due.***

Certain members of the RGHL Group that are either an issuer or guarantors or, with respect to the senior secured notes, 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, with respect to the senior secured notes, the security.

In the event that any one or more of the Issuers, the issuer of the 2007 Notes, 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