Beverage Packaging Holdings (Luxembourg) II S.A.
Société anonyme
Share Capital : EUR 31,000
Registered Office: 6C, Parc d'Activités Syrdall,
L-5365, Munsbach
R.C.S. Luxembourg: B 128.914

HOLDER NOTIFICATION

8 October 2010

Reynolds Group Holdings Limited

Beverage Packaging Holdings (Luxembourg) II S.A. ("the Company")

Re: 8% Senior Notes due 2016 (ISIN XS0307398502)
9½% Senior Subordinated Notes due 2017 (ISIN XS0307399062)

Notice of Additional Information Related to the Pactiv Acquisition

The Company has previously announced that the Company's parent company, Reynolds Group Holdings Limited ("Reynolds Group") has entered into an agreement to acquire all of the outstanding stock of Pactiv Corporation ("Pactiv"). Further information in respect of the Pactiv acquisition is detailed in the annexure to this notice.

This notice including the annexure is incorporated by reference to Pactiv's Offer to Purchase and Consent Solicitation Statement dated October 4, 2010 regarding Pactiv's 5.875% Notes due July 15, 2012 and 6.400% Notes due January 15, 2018.

About Reynolds Group:

Reynolds Group is a leading global manufacturer and supplier of consumer food and beverage packaging and storage products and operates through five primary segments: Reynolds Consumer, Reynolds Foodservice, SIG, Evergreen and Closures. Reynolds Group is based in Auckland, New Zealand. Additional information regarding Reynolds Group is available at www.reynoldsgroupholdings.com.

This notification is for informational purposes only and is not an offer to sell or purchase nor the solicitation of an offer to sell or purchase securities and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom such an offer, solicitation or sale would be unlawful. Any indebtedness used to finance the acquisition of Pactiv may not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent registration or an applicable exemption from registration requirements.

The offering of the 7.125% Senior Secured Notes due 2019 and 9.000% Senior Notes due 2019 by certain affiliates of the Company is being made only pursuant to an offering circular and related materials. The closing of the offering is subject to customary closing conditions, some of which are beyond our control, and there is no guarantee that the offering will close in a timely manner, or at all.

Forward-Looking Statements:

This notification may contain "forward-looking statements." Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of Reynolds Group, taking into account the information currently available to our management, and include statements about the intended acquisition of Pactiv and the related financing thereof. Forward-looking statements are not statements of historical fact. For example, when we use words such as "believe," "anticipate," "expect," "estimate," "intend," "should," "would," "could," "may," "will" or other words that convey uncertainty of future events or outcomes, we are making forward-looking statements. While management has based any forward-looking statements contained herein on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a

number of assumptions concerning future events and are subject to a number of risks, uncertainties, and other factors, many of which are outside of our control that could cause actual results to materially differ from such statements. Such uncertainties, risks and assumptions, include, but are not limited to: risks related to the Pactiv acquisition, including timing, actual completion and benefits thereof, if any; risks related to the cost of raw materials, our suppliers for raw materials and any interruption to our supply of raw materials; risks related to our substantial indebtedness and our ability to service our indebtedness; risks related to our aluminium hedging activities and other hedging activities may result in significant losses and in period-to-period earnings volatility; risks related to our material weaknesses in our internal controls over financial reporting within our Reynolds Consumer, Evergreen and Closures segments; risks related to downturns in our target markets; risks related to increases in interest rates which would increase the cost of servicing our debt; risks related to dependence on the protection of our intellectual property and the development of new products; risks related to exchange rate fluctuations; risks related to the consolidation of our customer base, competition and pricing pressure; risks related to the impact of a loss of one of our manufacturing facilities; risks related to our exposure to environmental liabilities and potential changes in legislation or regulation; and risks related to our dependence on key management and other highly skilled personnel.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above.

Enquiries:
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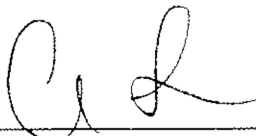
Name: Helen Golding
Title: Authorised Signatory



Name: Cindi Lefari
Title: Authorised Signatory

INFORMATION STATEMENT

This information statement presents certain information regarding the business that is to be acquired by subsidiaries of Reynolds Group Holdings Limited ("RGHL"), the parent of Beverage Packaging Holdings (Luxembourg) II S.A.., pursuant to a previous announcement (the "Pactiv Acquisition"). Pursuant to the Pactiv Acquisition, RGHL will acquire all of the outstanding stock of Pactiv Corporation ("Pactiv"). This information statement includes risk factors on the risks related to the Pactiv Acquisition and updated risk factors related to the business, Sources and Uses of Funds in connection with the Pactiv Transaction, Capitalization reflecting the capitalization of the RGHL Combined Group, certain limited pro forma financial data for RGHL and Pactiv as a combined group ("RGHL Combined Group") after completion of the Pactiv Acquisition, Selected Historical Consolidated Financial Data, RGHL Operating and Financial Review Prospects that includes recast U.S. dollar financials of RGHL, the recast U.S. dollar financial statements for RGHL, and Description of Certain other Indebtedness.

This information statement is incorporated by reference to Pactiv's Offers to Purchase and Consent Solicitations Statement dated October 4, 2010 regarding Pactiv's 5.875% Notes due July 15, 2012 and 6.400% Notes due January 15, 2018.

SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

- risks related to the Pactiv Acquisition, including the risk that the Pactiv Acquisition may not be completed within the expected timeframe, or at all, the risk that we may be unable to achieve some or all of the benefits that we expect to achieve from the Pactiv Acquisition, risks related to integration of our businesses, and the risk that we expect to incur substantial acquisition-related costs in connection with the Pactiv Acquisition;

- risks related to the escrow arrangements;

- risks related to other acquisitions, such as the risks that we will not be able to complete an acquisition in the timeframe anticipated, on its original terms, or at all, or that we will not be able to achieve some or all of the benefits that we expect to achieve from such acquisitions;

- risks related to the future costs of energy, raw materials and freight and the limited number of suppliers we use for those materials and services;

- risks related to our substantial indebtedness, including the additional indebtedness we expect to incur in connection with the Pactiv Transaction, and our ability to service our current and future indebtedness;

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

- risks related to our internal control environment which in the past have resulted in material weaknesses in our internal control over financial reporting within our Evergreen, Reynolds Consumer and Closures segments;

- risks related to our suppliers for raw materials and any interruption in our supply of raw materials;

- risks related to downturns in our target markets;

- risks related to increases in interest rates which would increase the cost of servicing our debt;

- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to exchange rate fluctuations;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to the impact of a loss of one of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;
- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;
- risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;
- risks related to restrictive covenants in the notes and our other indebtedness which could adversely affect our business by limiting our operating and strategic flexibility;
- risks related to our dependence on key management and other highly skilled personnel; and
- risks related to other factors discussed in this information statement.

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

IMPORTANT NOTICE

The attached information is not an offer to sell or a solicitation of an offer to purchase any security in the United States or elsewhere and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom such an offer, solicitation or sale would be unlawful. No securities have been registered under the United State Securities Act of 1933, as amended, and no securities may be offered or sold within the United States or to U.S. persons absent registration or an applicable exemption from registration requirements.

CERTAIN DEFINITIONS

In this information statement:

- "*2007 Notes*" refers to the 2007 Senior Notes and the 2007 Senior Subordinated Notes.
- "*2007 Senior Notes*" refers to the 8.0% senior notes due 2016 issued by BP II on June 29, 2007, in connection with the SIG Transaction, which are secured by a second priority lien over the capital stock of BP I and a lien on certain intercompany receivables, of which €480.0 million aggregate principal amount was outstanding at June 30, 2010, and as of the date of this information statement.
- "*2007 Senior Subordinated Notes*" refers to the 9.5% senior subordinated notes due 2017 issued by BP II on June 29, 2007 in connection with the SIG Transaction, which are secured by a third priority lien over the capital stock of BP I and a third priority lien on certain intercompany receivables, of which €420.0 million aggregate principal amount was outstanding at June 30, 2010, and as of the date of this information statement.
- "*2009 Dollar Notes*" refers to the 7.750% Senior Secured Notes, due 2016, issued by the Issuers on November 5, 2009, in connection with the RGHL Transaction, of which $1,125 million aggregate principal amount was outstanding as of June 30, 2010, and as of the date of this information statement.
- "*2009 Euro Notes*" refers to the 7.750% Senior Secured Notes due 2016, issued by the Issuers on November 5, 2009, in connection with the RGHL Transaction; of which €450 million aggregate principal amount was outstanding at June 30, 2010, and as of the date of this information statement.
- "*2009 Notes*" refers to the 2009 Euro Notes and the 2009 Dollar Notes.
- "*Alcoa*" refers to Alcoa Inc., which sold the businesses that ultimately became our Reynolds Consumer, Closures and Reynolds Foodservice segments to Graeme Hart pursuant to the Reynolds Acquisition.
- "*Asia Pacific North*" refers to China and Hong Kong.
- "*Black Liquor Credit*" refers to a tax credit that benefits companies that use alternative fuel mixtures to produce energy to operate their businesses. Black Liquor Credit, equal to $0.50 per gallon of alternative fuel contained in the applicable mixture, is refundable to the taxpayer.
- "*Blue Ridge*" refers to Blue Ridge Holding Corp. and its consolidated subsidiaries.
- "*Blue Ridge Acquisition*" refers to the acquisition of Blue Ridge Paper Products Inc. by Evergreen, directly or indirectly through its subsidiaries, on July 31, 2007.
- "*BP I*" refers to Beverage Packaging Holdings (Luxembourg) I S.A., a direct subsidiary of RGHL. BP I guarantees the 2007 Notes, the 2009 Notes, the May 2010 Notes and the Existing Senior Secured Credit Facilities and will guarantee the notes offered in connection with the Pactiv Transaction and the New Incremental Senior Secured Credit Facilities.
- "*BP II*" refers to Beverage Packaging Holdings (Luxembourg) II S.A., a sister company of BP I and a direct subsidiary of RGHL. BP II does not guarantee the 2009 Notes, the May 2010 Notes or the Existing Senior Secured Credit Facilities and will not guarantee the notes offered in connection with the Pactiv Transaction or the New Incremental Senior Secured Credit Facilities. BP II is the issuer of the 2007 Notes.
- "*BP III*" refers to Beverage Packaging Holdings (Luxembourg) III S.à r.l., a direct subsidiary of BP I and an indirect wholly owned subsidiary of RGHL. BP III guarantees the 2007 Notes, the 2009 Notes, the May 2010 Notes and the Existing Senior Secured Credit Facilities and will guarantee the notes offered in connection with the Pactiv Transaction and the New Incremental Senior Secured Credit Facilities.
- "*CHF*" refers to the lawful currency of Switzerland.

- "*CHH*" refers to Carter Holt Harvey Limited, a New Zealand Company, an indirect wholly owned subsidiary of the Rank Group.

- "*CHH Senior Credit Facilities*" refers to a Multi-Option Facility Agreement to which Evergreen U.S. was a party. Evergreen U.S. was released from its obligations under the CHH Senior Credit Facilities as part of the Evergreen Transaction.

- "*Closures*" refers to Closures Lux and its consolidated subsidiaries, which constitute our Closures segment since the consummation of the RGHL Transaction.

- "*Closures Acquisition*" refers to the direct and indirect acquisition consummated on November 5, 2009, by BP III of the Closures business from an entity that is ultimately owned by our strategic owner, Graeme Hart, for a total consideration of $1,223 million, less the amount of outstanding consolidated indebtedness of Closure Lux and its subsidiaries under the Reynolds Facility as of the date of the closing of the Closures Acquisition. The total purchase price was adjusted, following such closing, for consolidated net cash, working capital and benefit of earnings, resulting in an aggregate of $7.5 million paid by BP III to Closures N.Z. in the form of cash and certain intercompany debt arrangements.

- "*Closures Lux*" refers to Closure Systems International (Luxembourg) S.à r.l., which (i) prior to the RGHL Transaction, was a wholly owned subsidiary of Closures N.Z., and (ii) subsequent to the RGHL Transaction, became a wholly owned subsidiary of BP III.

- "*Closures N.Z.*" refers to Closure Systems International (NZ) Limited, the sole shareholder of Closures Lux prior to the RGHL Acquisition.

- "*Closures Predecessor*" refers to Alcoa's closures business prior to the consummation of the Reynolds Acquisition.

- "*collateral*" refers to those assets and properties of the Issuers and the guarantors of the 2009 Notes and the Senior Secured Notes over which a collateral agent holds a security interest for the benefit of the holders of the 2009 Notes and the Senior Secured Notes.

- "*dollars*" or "*$*" refers to the lawful currency of the United States.

- "*E.U.*" refers to the European Union.

- "*Eastern Europe*" refers to Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Poland, Russia, Slovakia, Slovenia, Switzerland and Turkey.

- "*Effective Interest Rate Method*" refers to the method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

- *"Equity Contribution"* refers to the assumed equity contribution of $660.6 million to be made by RGHL's shareholder, in connection with the Pactiv Transaction, based on $1,500 million aggregate principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction, $1,500 million aggregate principal amount of Senior Notes offered in connection with the Pactiv Transaction, and $2,020 million aggregate principal amount of New Incremental Senior Secured Credit Facilities. The Equity Contribution may increase or decrease as a result of the cash on hand as of the date of closing of the Pactiv Transaction. To the extent Pactiv and the RGHL Group have more cash on hand as of the date of closing of the Pactiv Acquisition than they had as of June 30, 2010, the Equity Contribution may decrease and such decrease may be material. In addition, to the extent we repurchase less than all of the Pactiv 2012 Notes and the Pactiv 2018 Notes outstanding in connection with the Pactiv Tender Offers and the Pactiv Change of Control Offers, if any, the Equity Contribution may decrease and such decrease may be material. Any reduction in the Equity Contribution will be limited by our ability to comply with the covenants in the agreements governing our indebtedness, including the 5.5x net total leverage ratio under the Senior Secured Credit Facilities.

- "*Escrow Issuers*" refers to the Lux Escrow Issuer together with the US Escrow Issuers.

- "*Escrow Release Date*" refers to the date the escrow related to our new notes will be released.

- "*euro*" or "*€*" refers 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.

- "*Evergreen*" refers to Evergreen Lux and Evergreen U.S. and their respective subsidiaries, which together constitute our Evergreen segment.

- "*Evergreen Acquisition*" refers to collectively the transactions completed on May 4, 2010 comprising (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all the equity interests of Evergreen U.S. for a total consideration of $1,522.4 million (including agreed post-closing adjustments), (b) the acquisition by SIG Combibloc Holding GmbH, an indirect wholly owned subsidiary of BP III, of all the equity interests of Evergreen Lux for a total consideration of $89.6 million (including agreed post-closing adjustments) and (c) the acquisition by Whakatane Mill Limited, an indirect wholly owned subsidiary of BP III, of the assets and liabilities of the Whakatane Paper Mill from CHH for a total consideration of $45.8 million (including agreed post-closing adjustments). See "The Transactions — The Evergreen Transaction."

- "*Evergreen Lux*" refers to Evergreen Packaging (Luxembourg) S.à r.l. which (i) prior to the Evergreen Transaction, was a wholly owned subsidiary of Evergreen Packaging (Antilles) N.V., and (ii) subsequent to the Evergreen Transaction, became a wholly owned subsidiary of SIG Holding.

- "*Evergreen N.Z.*" refers to Evergreen Packaging New Zealand Limited, an indirect subsidiary of the Rank Group.

- "*Evergreen Transaction*" refers to: (i) the offering of the May 2010 Notes, (ii) the borrowings under the Existing Incremental Senior Secured Credit Facilities, (iii) the repayment of the GE Facility, (iv) the Evergreen Acquisition, (v) the other transactions related to the foregoing and (vi) the payment of fees and expenses related to the foregoing.

- "*Evergreen U.S.*" refers to Evergreen Packaging Inc., which (i) prior to the consummation of the Evergreen Transaction, was a direct subsidiary of Evergreen Packaging U.S., and (ii) subsequent to the consummation of the Evergreen Transaction, became a wholly owned subsidiary of Reynolds Group Holdings Inc.

- "*Evergreen Packaging U.S.*" refers to Evergreen Packaging US (formerly known as Evergreen Packaging US Limited), a direct subsidiary of Evergreen N.Z.

- "*Exchange Act*" refers to the U.S. Securities Exchange Act of 1934, as amended.

- "*Existing Incremental Senior Secured Credit Facilities*" refers to a $1,550 million incremental term loan facility of which $800 million was drawn in connection with the Evergreen Transaction.

- "*Existing Notes*" refers to the May 2010 Notes, the 2009 Notes and the 2007 Notes.

- "*Existing Senior Secured Credit Facilities*" refers to the Original Senior Secured Credit Facilities and the Existing Incremental Senior Secured Credit Facilities.

- "*GE Facility*" refers to the Credit Agreement dated as of December 17, 2003 (as amended), among Blue Ridge Paper Products Inc., the other credit parties signatory thereto, the lenders from time to time party thereto and General Electric Capital Corporation, as agent and as a lender, which provided for an aggregate of $50 million in revolving loans (including up to $5 million of swing line loans and up to $10 million of letters of credit). The GE Facility was repaid and terminated in connection with the Evergreen Transaction.

- "*guarantors*" refers to each member of the RGHL Group (and Pactiv and certain of its subsidiaries following the consummation of the Pactiv Acquisition) that guarantees or will guarantee the notes offered in connection with the Pactiv Transaction, the May 2010 Notes, the 2009 Notes, the 2007 Notes, and the Senior Secured Credit Facilities from time to time, except in the case of certain entities which provide guarantees of the May 2010 Notes, the 2009 Notes, the 2007 Notes or the Senior Secured Credit Facilities but are not able to provide guarantees in respect of the notes.

- *"Hefty Consumer Products"* refers to Pactiv's consumer products segment.

- "*IASB*" refers to the International Accounting Standards Board.

- "*IFRS*" refers to International Financial Reporting Standards as issued by the IASB.

- "*Incremental Senior Secured Credit Facilities*" refers to the Existing Incremental Senior Secured Credit Facilities and the New Incremental Senior Secured Credit Facilities.

- "*Initial Evergreen Acquisition*" refers to the series of acquisitions of IP's Bev Pack Business by the Rank Group beginning on January 31, 2007, and continuing through the subsequent seven months, the associated borrowings that funded such acquisitions and the payment of related fees and expenses.

- "*IP*" refers to International Paper Company.

- "*IP's Bev Pack Business*" refers to the beverage packaging business of IP before the Initial Evergreen Acquisition.

- "*Issuers*" or "*issuers*" refers to the US Issuers and the Lux Issuer. The Issuers are each wholly owned indirect subsidiaries of RGHL.

- "*LTM Period*" refers to the 12 month period ended June 30, 2010.

- "*Lux Escrow Issuer*" refers to RGHL Escrow Issuer (Luxembourg) I S.A., a *société anonyme* (public limited liability company) formed under the laws of Luxembourg.

- "*Lux Issuer*" means Reynolds Group Issuer (Luxembourg) S.A., a *société anonyme* (public limited liability company) formed under the laws of Luxembourg, an indirect subsidiary of RGHL, a sister company of BP III and a wholly owned direct subsidiary of BP I. Lux Issuer is a co-issuer of the May 2010 Notes, the 2009 Notes and the notes offered in connection with the Pactiv Transaction.

- "*May 2010 Notes*" refers to the 8.5% Senior Notes due 2018 issued by the Issuers on May 4, 2010 in connection with the Evergreen Transaction; of which $1,000 million aggregate principal amount was outstanding at June 30, 2010, and as of the date of this information statement.

- "*merger agreement*" refers to the Agreement and Plan of Merger dated August 16, 2010, by and among Pactiv, Rank Group Limited, RGHL and Reynolds Acquisition Corporation.

- "*New Financing Arrangements*" refers to the notes offered in connection with the Pactiv Transaction and the New Incremental Senior Secured Credit Facilities.

- "*New Incremental Senior Secured Credit Facilities*" refers to incremental term loan facilities in an aggregate principal amount of $2,020 million established pursuant to an amendment and incremental assumption agreement dated as of September 30, 2010, relating to the Existing Senior Secured Credit Facilities. The incremental term loans under the New Incremental Senior Secured Credit Facilities will be funded pursuant to the incremental term loan commitments established under such amendment and incremental assumption agreement upon the consummation of the Pactiv Acquisition or, at the request of RGHL or certain of its subsidiaries, prior to such time into escrow, subject to release upon the contemporaneous consummation of the Pactiv Acquisition.

- "*notes*" refers to the Senior Secured Notes and Senior Notes offered in connection with the Pactiv Transaction

- "*NZ$*" refers to the lawful currency of New Zealand.

- "*Original Senior Secured Credit Facilities*" refers to a $1,035 million senior secured term loan facility, a €250 million senior secured term loan facility, a $120 million senior secured revolving credit facility and a €80 million senior secured revolving credit facility that we entered into in connection with the RGHL Transaction.

- "*Packaging Holdings*" refers to Packaging Holdings Limited, the indirect parent of RGHL. Packaging Holdings is a private company based in New Zealand that is wholly owned by Graeme Hart.

- “*Pactiv*” refers to the Pactiv Corporation and its subsidiaries.

- “*Pactiv 2012 Notes*” refers to the 5.785% Notes due July 15, 2012 of Pactiv Corporation, with an outstanding principal amount of $250 million as of June 30, 2010.

- “*Pactiv 2018 Notes*” refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $249 million (net of $1 million of unamortized discount) as of June 30, 2010.

- “*Pactiv Acquisition*” refers to the merger of Reynolds Acquisition Corporation, a wholly owned subsidiary of RGHL, with and into Pactiv, with Pactiv surviving the merger as an indirect wholly owned subsidiary of RGHL. After the consummation of the Pactiv Transaction, Pactiv and its subsidiaries will become indirect subsidiaries of BP III. See “The Transactions — The Pactiv Transaction.”

- “*Pactiv Change of Control Offers*” refers to Pactiv’s offers to purchase the Pactiv 2012 Notes and the Pactiv 2018 Notes, as currently required by the applicable indentures. The Pactiv Change of Control Offers will not be consummated if the covenant that requires Pactiv to make such offers is eliminated from the applicable indentures pursuant to the Pactiv Tender Offers.

- “*Pactiv Foodservice*” refers to Pactiv’s foodservice and food packaging segment.

- “*Pactiv Tender Offers*” refers to the offers to purchase and consent solicitations with respect to the Pactiv 2012 Notes and the Pactiv 2018 Notes. Pursuant to the Pactiv Tender Offers, Pactiv expects to make an offer to purchase for cash any and all of the outstanding Pactiv 2012 Notes and Pactiv 2018 Notes and seek to obtain the requisite consents to eliminate the covenant requiring Pactiv to make an offer to each holder to repurchase all or any part of that holder’s Pactiv 2012 Notes and Pactiv 2018 Notes if a “change of control triggering event” occurs, as defined in the applicable Pactiv indentures.

- “*Pactiv Transaction*” refers to: (i) the offering of the Senior Secured Notes and Senior Notes, (ii) the incremental borrowings under the New Incremental Senior Secured Credit Facilities, (iii) the expected repayment of certain Pactiv indebtedness, including the repayment of the Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offers and Pactiv Change of Control Offers, if any, (iv) the Pactiv Acquisition, (v) the Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

- “*PWP acquisition*” refers to the acquisition of PWP Holdings, Inc. and PWP Industries by Pactiv on April 1, 2010.

- “*Rank Group*” refers to Rank Group Limited, a private company based in New Zealand that is wholly owned by Graeme Hart.

- “*Reynolds*” or *“RGHL Combined Group”* refers to RGHL and its consolidated subsidiaries, including Pactiv, as a combined company, following the consummation of and after giving pro forma effect to the Pactiv Acquisition.

- “*Reynolds Acquisition*” refers to the series of acquisitions from Alcoa indirectly by Graeme Hart, our strategic owner, of those businesses that became, following the RGHL Transaction and Reynolds Foodservice Acquisition, our Reynolds Consumer, Closures and Reynolds Foodservice segments, which were substantially consummated on February 29, 2008, and the associated borrowings that funded such acquisitions and the payment of related fees and expenses.

- “*Reynolds Acquisition Corporation*” refers to Reynolds Acquisition Corporation, a wholly owned indirect subsidiary of RGHL organized under the laws of the State of Delaware.

- “*Reynolds Consumer*” refers to Reynolds Consumer Lux and its consolidated subsidiaries, together with Reynolds Consumer Holdings and its consolidated subsidiaries, which constitutes our Reynolds Consumer segment.

- “*Reynolds Consumer Acquisition*” refers to the direct and indirect acquisition, consummated on November 5, 2009, by BP III of the Reynolds Consumer business from an entity that is ultimately owned by our strategic owner, Graeme Hart, for a total consideration of $1,800 million, less the amount of outstanding consolidated indebtedness of Reynolds Consumer Holdings and its subsidiaries under the Reynolds Facility as of the date of closing of the Reynolds Consumer Acquisition. The total purchase price was adjusted, following the closing of the Reynolds Consumer Acquisition, for consolidated net cash, working capital and

benefit of earnings, resulting in an aggregate of $2.6 million paid in the form of intercompany debt arrangements to Reynolds Group Holdings Inc. and BP III.

- "*Reynolds Consumer Holdings*" refers to Reynolds Consumer Products Holdings Inc., a direct wholly owned subsidiary of Reynolds Group Holdings Inc., which is in turn a direct wholly owned subsidiary of BP III.

- "*Reynolds Consumer Lux*" refers to Reynolds Consumer Products (Luxembourg) S.à r.l. which (i) prior to the RGHL Transaction, was a wholly owned subsidiary of Reynolds Consumer N.Z., and (ii) subsequent to the RGHL Transaction, became a wholly owned subsidiary of BP III.

- "*Reynolds Consumer N.Z.*" refers to Reynolds Consumer Products (NZ) Limited, the sole shareholder of Reynolds Consumer Lux and Reynolds Consumer Holdings prior to the RGHL Acquisition.

- "*Reynolds Consumer Predecessor*" refers to Alcoa's consumer products business prior to the consummation of the Reynolds Acquisition.

- "*Reynolds Facility*" refers to a senior secured term loan facility and a senior secured revolving credit facility entered into in connection with the Reynolds Acquisition, which was repaid in full and terminated as part of the RGHL Transaction.

- "*Reynolds Foodservice Acquisition*" refers to the indirect acquisition, consummated on September 1, 2010, by BP III of the Reynolds Foodservice business from entities that are ultimately owned by our strategic owner, Graeme Hart, for a total consideration of $297 million (subject to certain post-closing adjustments) which payment we refer to as the "*Reynolds Foodservice Payment*." See "The Transactions — The Reynolds Foodservice Acquisition."

- "*Reynolds Foodservice*" refers to (i) prior to the consummation of the Reynolds Foodservice Acquisition, Reynolds Packaging (NZ) Limited and its consolidated subsidiaries, and (ii) after giving pro forma effect to the consummation of the Reynolds Foodservice Acquisition, Reynolds Packaging Inc. and Reynolds Packaging International B.V., together with their consolidated subsidiaries.

- "*Reynolds Holdings*" or *"RGHL"* refers to Reynolds Group Holdings Limited (formerly known as Rank Group Holdings Limited), the indirect parent of BP III and the issuers among others. RGHL guarantees the May 2010 Notes, the 2009 Notes, the 2007 Notes and the Existing Senior Secured Credit Facilities and will guarantee the New Incremental Senior Secured Credit Facilities and the notes offered in connection with the Pactiv Transaction.

- "*RGHL Acquisition*" refers to the Closures Acquisition and the Reynolds Consumer Acquisition.

- "*RGHL Group*" refers to RGHL and its consolidated subsidiaries after the SIG Transaction, the RGHL Transaction, the Evergreen Transaction and the Reynolds Foodservice Acquisition, but prior to the consummation of the Pactiv Transaction, unless the context otherwise requires.

- "*RGHL Group Predecessor*" refers to the beverage packaging business of IP before the Initial Evergreen Acquisition.

- "*RGHL Group Successor*" refers to the RGHL Group and its consolidated subsidiaries after the consummation of the Initial Evergreen Acquisition.

- "*RGHL Transaction*" refers to (i) the offering of the 2009 Notes, (ii) the $544.0 million of cash equity contribution by RGHL to BP I, (iii) the initial borrowings under the Existing Senior Secured Credit Facilities, (iv) the repayment of certain existing indebtedness of the RGHL Group, Closures and Reynolds Consumer, (v) the RGHL Acquisition, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

- "*SEC*" refers to the U.S. Securities and Exchange Commission.

- "*Senior Notes*" refers to $1,500 million aggregate principal amount of 9.000% Senior Notes due 2019 to be issued pursuant to the Pactiv Transaction.

- "*Senior Secured Credit Facilities*" refers to the New Incremental Senior Secured Credit Facilities and the Existing Senior Secured Credit Facilities.

- "*Senior Secured Notes*" refers to $1,500 million aggregate principal amount of 7.125% Senior Secured Notes due 2019 to be issued pursuant to the Pactiv Transaction.

- "*SIG*" refers to SIG Combibloc and its consolidated subsidiaries.

- "*SIG Acquisition*" refers to the acquisition of SIG by Packaging Holdings, through RGHL, its indirect wholly owned subsidiary, pursuant to a public tender offer that was concluded on May 11, 2007 and a subsequent squeeze out of minority shareholders that was concluded on November 7, 2007, for a total consideration of €1.7 billion.

- "*SIG Combibloc*" refers to SIG Combibloc Group AG (formerly known as SIG Holding AG). SIG Combibloc guarantees the May 2010 Notes, the 2009 Notes, the 2007 Notes and the Existing Senior Secured Credit Facilities and will guarantee the New Incremental Senior Secured Credit Facilities and the notes offered in connection with the Pactiv Transaction.

- "*SIG Holding*" refers to SIG Combibloc Holding GmbH, an indirect wholly owned subsidiary of SIG Combibloc.

- "*SIG Predecessor*" refers to SIG prior to May 11, 2007.

- "*SIG Senior Credit Facilities*" refers to a senior secured term loan facility and a senior secured revolving credit facility entered into in connection with the SIG Transaction, which was repaid in full and terminated as part of the RGHL Transaction.

- "*SIG Transaction*" refers to (i) the SIG Acquisition, (ii) borrowings of €740 million of term loans and the establishment of an €85 million revolving credit facility under the SIG Senior Credit Facilities, (iii) borrowings of €770 million of term loans under a senior subordinated bridge facility (the "*2007 Bridge Facility*"), (iv) the subsequent issuance and sale of €480 million of the 2007 Senior Notes and €420 million of the 2007 Senior Subordinated Notes used to repay in full the 2007 Bridge Facility and prepay €130 million of the term loans under the SIG Senior Credit Facilities, (v) the borrowings of €405 million by RGHL from an affiliate, (vi) the payment of fees and expenses, including financing fees, advisory fees and other transaction costs and (vii) the cancellation of 178,100 treasury shares of SIG Combibloc on February 28, 2008.

- *"United States*" and "*U.S.*" refer to the United States of America.

- "*US Corporate Escrow Issuer*" refers to RGHL US Escrow I Inc., a Delaware corporation.

- *"US Escrow Issuers*" refers to US Corporate Escrow Issuer together with the US LLC Escrow Issuer.

- "*U.S. GAAP*" refers to generally accepted accounting principles in the United States.

- "*US Co-Issuer*" means Reynolds Group Issuer LLC, a limited liability company formed under the laws of the state of Delaware, United States, an indirect wholly owned subsidiary of BP III. US Co-Issuer is a co-issuer of the May 2010 Notes, the 2009 Notes and the notes offered in connection with the Pactiv Transaction.

- "*US LLC Escrow Issuer*" refers to RGHL US Escrow I LLC, a Delaware limited liability company.

- "*US Issuer*" means Reynolds Group Issuer Inc., a company incorporated under the laws of the state of Delaware, United States, an indirect wholly owned subsidiary of BP III. US Issuer is a co-issuer of the May 2010 Notes, the 2009 Notes and the notes offered in connection with the Pactiv Transaction.

- "*US Issuers*" means US Issuer and US Co-Issuer.

- "*Whakatane Acquisition*" refers to the acquisition by Whakatane Limited of the Whakatane Mill from CHH.

- "*Whakatane Limited*" refers to Whakatane Mill Limited, a wholly owned subsidiary of SIG Holding.

- "*Whakatane Mill*" refers to the business assets and liabilities of the Whakatane paper mill that were acquired by Whakatane Limited, an entity wholly owned by SIG Holding, from CHH. See "The Transactions."

SUMMARY HISTORICAL AND PRO FORMA COMBINED FINANCIAL INFORMATION

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

The summary historical and pro forma combined financial information should be read together with the respective financial statements and the notes thereto, along with "Certain Definitions," "Risk Factors," "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Selected Historical Consolidated and Historical Combined Financial Data," and "RGHL Group Operating and Financial Review and Prospects."

RGHL Group

On January 31, 2007, the Rank Group commenced the acquisition of IP's Bev Pack Business. The acquisition occurred in stages from January 31, 2007 to August 1, 2007.

On May 4, 2010, the Evergreen Transaction was completed. 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 acquisition of the RGHL Group Predecessor, the RGHL Group had no significant operations.

RGHL acquired SIG Combibloc on May 10, 2007 pursuant to a public tender offer and a subsequent squeeze-out of minority shareholders that was completed on November 7, 2007.

In 2008, the Reynolds Acquisition was completed. The businesses acquired in the Reynolds Acquisition include those businesses of Alcoa that became, following the RGHL Transaction on November 5, 2009, our Reynolds Consumer and Closures segments and following the Reynolds Foodservice Acquisition on September 1, 2010, our Reynolds Foodservice segment.

Our SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments have been under common ownership and control through entities ultimately 100% owned by Graeme Hart, our strategic owner, for over two years. Prior to consummation of the RGHL Transaction on November 5, 2009, the Evergreen Transaction on May 4, 2010 and the Reynolds Foodservice Acquisition on September 1, 2010, these businesses were not owned, directly or indirectly, by a single company that consolidated the financial results of all five segments. We have determined that the RGHL Acquisition, Evergreen Acquisition and Reynolds Foodservice Acquisition constituted business combinations of entities under common control. IFRS does not prescribe the accounting for business combinations involving entities that are under common control. Accordingly, we have chosen to account for the acquisition of the Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice businesses, which were acquired from entities under the common control of our ultimate shareholder, 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 businesses 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 arises as a result of these transactions.

We account for business combinations under common control from the date Graeme Hart, our strategic owner, originally obtained control of each of the businesses presented. This election has resulted in the recast of the June 30, 2010 interim unaudited condensed financial statements and December 31, 2009, 2008 and 2007 audited financial statements, along with any other interim reporting where the comparative period includes a period of time prior to the completion of the acquisitions of Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice but subsequent to January 31, 2007 (the date of the acquisition of the Evergreen businesses by entities under the control of Graeme Hart) or February 29, 2008 (the date of the acquisition of the Reynolds Consumer, Closures and Reynolds Foodservice businesses by entities under the control of Graeme Hart).

The summary historical financial information of the RGHL Group for the years ended December 31, 2009, 2008 and 2007 has been derived from the RGHL Group's annual audited financial statements. The summary consolidated financial data of the RGHL Group for the six-month periods ended June 30, 2010 and 2009 has been derived from the RGHL Group's unaudited condensed financial statements.

Pactiv

The audited consolidated financial statements for Pactiv as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007, have been audited by Ernst & Young LLP, an independent registered public accounting firm. The interim

condensed consolidated financial statements of Pactiv as of June 30, 2010 and for the three and six month periods ended June 30, 2010 and 2009 are unaudited. Pactiv has historically prepared its financial statements in accordance with U.S. GAAP.

Pro Forma Combined Financial Information

The summary unaudited pro forma combined financial information is based on the historical combined financial information of the RGHL Group and Pactiv, as adjusted to illustrate the estimated pro forma effects of the impact of the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Acquisition. For further information regarding the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Acquisition, see "The Transactions." The unaudited pro forma combined balance sheet gives effect to the Pactiv Transaction and the Reynolds Foodservice Payment as if they had been completed as of June 30, 2010. The unaudited pro forma combined income statement gives effect to the Pactiv Transaction and the financing components of the RGHL Transaction and the Evergreen Acquisition as if they had been completed as of January 1, 2009.

The summary unaudited pro forma combined financial information, which has been prepared in accordance with IFRS in all material respects, includes the presentation of an unaudited pro forma combined income statement for the LTM Period. The unaudited pro forma combined income statement for the LTM Period is calculated as follows: (i) the unaudited pro forma combined income statement for the year ended December 31, 2009, less (ii) the unaudited pro forma combined income statement for the six months ended June 30, 2009, plus (iii) the unaudited pro forma combined income statement for the six months ended June 30, 2010.

The U.S. GAAP financial information on Pactiv under the column titled "Historical Pactiv" in the "Unaudited Pro Forma Combined Financial Information" has been reclassified into the RGHL reporting format from Pactiv's audited consolidated financial statements for the year ended December 31, 2009 and Pactiv's interim unaudited condensed consolidated financial statements as of June 30, 2010 and for the periods ended June 30, 2010 and June 30, 2009.

In the case of Pactiv, the pro forma financial information reflects adjustments to Pactiv's historical reported information to convert it to IFRS and to conform Pactiv to the RGHL Group's accounting policies. For a summary of the differences between Pactiv's historical reporting under U.S. GAAP and IFRS, see footnote (5) under "Unaudited Pro Forma Combined Financial Information."

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

The summary historical financial and pro forma information is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position that the RGHL Group or the RGHL Combined Group would have reported had the Pactiv Transaction, the Reynolds Foodservice Acquisition and the financing components of the RGHL Transaction and the Evergreen Transaction been completed as of the dates set forth in this summary historical and pro forma financial information and should not be taken as 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 pro forma combined information does not purport to be indicative of what the financial condition or results of operations would have been had the transactions been completed on the applicable dates of the unaudited pro forma combined financial information.

With respect to the adjustments related to the Pactiv Acquisition, the summary unaudited pro forma combined financial information has been prepared using the purchase method of accounting for Pactiv as if the Pactiv Transaction had been completed as of January 1, 2009 for the purposes of the unaudited pro forma condensed income statement, and as of June 30, 2010 for the purposes of the unaudited pro forma condensed balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values, with any excess purchase price allocated to goodwill. The allocation of the purchase price as reflected in the unaudited pro forma combined financial information is based upon management's internally developed estimates of the values of assets acquired and liabilities assumed as if the Pactiv Transaction had been completed as of the above dates. This allocation of the purchase price depends upon certain estimates and assumptions, which are preliminary and have been made solely for the purpose of developing the unaudited pro forma condensed financial information. We have commenced the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed and the related allocation of the purchase price as of the closing of the Pactiv Transaction. After the consummation of the Pactiv Transaction, we will complete the appraisals necessary to finalize the required

purchase price allocation, at which time the final allocation of the purchase price will be determined. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation, and those differences may be material.

We have converted Pactiv's U.S. GAAP financial data as of and for the periods presented herein in accordance with IFRS by applying IFRS in all material respects to such financial data. We have not attempted to quantify all differences that would have been identified if the complete historical Pactiv financial statements had been prepared in accordance with IFRS. Accordingly, we cannot assure you that the conversion as described below is a complete summary of all the differences that would result had this full exercise been undertaken. Had we undertaken such conversion, other accounting and disclosure differences may have come to our attention that are not identified below, some of which may be material. Accordingly we cannot assure you that the identified differences below represent all the principal adjustments to the Pactiv financial statements necessary to present them on an IFRS basis consistent with the RGHL financial statements.

SUMMARY UNAUDITED RGHL COMBINED GROUP PRO FORMA FINANCIAL INFORMATION

	For the Year Ended December 31,	For the Six Months Ended June 30,		LTM
	2009	2009	2010	Period(2)
		(IFRS) (In $ millions)		
Income Statement				
Revenue	**$ 9,370.7**	**$ 4,560.7**	**$ 4,783.7**	**$ 9,593.7**
Cost of sales	(7,184.7)	(3,544.2)	(3,839.1)	(7,479.6)
Gross profit	**2,186.0**	**1,016.5**	**944.6**	**2,114.1**
Other income	201.0	116.0	43.9	128.9
Selling, marketing and distribution expenses	(366.7)	(182.4)	(182.5)	(366.8)
General and administration expenses	(668.5)	(326.9)	(272.6)	(614.2)
Other expenses	(100.4)	(42.6)	(52.3)	(110.1)
Share of profit of associates and joint ventures, net of income tax (equity method)	10.5	4.3	8.9	15.1
Profit (loss) from operating activities	**1,261.9**	**584.9**	**490.0**	**1,167.0**
Financial income	21.9	9.0	11.0	23.9
Financial expenses	(944.7)	(502.0)	(751.0)	(1,193.7)
Net financial expenses	**(922.8)**	**(493.0)**	**(740.0)**	**(1,169.8)**
Profit (loss) before income tax	**339.1**	**91.9**	**(250.0)**	**(2.8)**
Income tax (expense)	(214.9)	(95.4)	(37.7)	(157.2)
Profit (loss) from continuing operations	**$ 124.2**	**$ (3.5)**	**$ (287.7)**	**$ (160.0)**

	Pro Forma RGHL Combined Group as of June 30, 2010(1)
	(IFRS) (In $ millions)
Balance Sheet Data	
Cash and cash equivalents	$ 300.0
Trade and other receivables — current	1,217.1
Inventories	1,378.1
Property, plant and equipment	3,217.5
Investment property	56.8
Intangibles	9,371.5
Other assets	785.5
Total assets	**16,326.5**
Trade and other payables — current	1,165.5
Borrowings — current	132.6
Borrowings — non-current	11,212.7
Other liabilities	3,292.5
Total liabilities	**15,803.3**
Net assets	**$ 523.2**

	Pro Forma RGHL Combined Group(1)			
	For the Year Ended December 31,	For the Six Months Ended June 30,		LTM
	2009	2009	2010	Period(2)
	(IFRS) (In $ millions except ratios)			
Pro Forma Other Financial Data:				
Total capital expenditure:	$ 403.4	$ 211.9	$ 190.4	$ 381.9
Property, plant and equipment (excluding filling machines)	333.1	177.5	161.3	316.9
Filling machines	70.3	34.4	29.1	65.0
RGHL Combined Group EBITDA(3)				1,852.3
RGHL Combined Group Historical Adjusted EBITDA(4)				1,808.9
RGHL Combined Group Pro Forma Adjusted EBITDA(4)				2,125.3
Net cash interest expense(5)				881.0
Pro Forma Credit Statistics:				
At Period End:				
Total net senior secured debt(6)				7,083.0
Total net senior guaranteed debt(7)				10,170.3
Total net senior debt(8)				10,951.2
Total net debt(9)				11,464.4
Total net senior secured debt to RGHL Combined Group Pro Forma Adjusted EBITDA				3.3x
Total net senior guaranteed debt to RGHL Combined Group Pro Forma Adjusted EBITDA				4.8x
Total net senior debt to RGHL Combined Group Pro Forma Adjusted EBITDA				5.2x
Total net debt to RGHL Combined Group Pro Forma Adjusted EBITDA				5.4x
RGHL Combined Group Pro Forma Adjusted EBITDA to net cash interest expense				2.4x
Pro Forma Ratio of earnings to fixed charges(10)				1.0x

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

(2) The unaudited pro forma combined income statement for the LTM Period is calculated as follows: (i) the unaudited pro forma combined income statement for the year ended December 31, 2009, less (ii) the unaudited pro forma combined income statement for the six months ended June 30, 2009, plus (iii) the unaudited pro forma combined income statement for the six months ended June 30, 2010.

(3) RGHL Combined Group EBITDA, a measure used by our management to measure operating performance, 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 information statement 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 in measuring the ability of those issuers to meet debt service obligations. Because not all companies calculate EBITDA identically, this presentation of 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:

	Pro Forma RGHL Combined Group LTM Period (In $ millions)
Profit (loss) from continuing operations	**$ (160.0)**
Income tax (benefit) expense	157.2
Net financial expenses	1,169.8
Depreciation and amortization	685.3
RGHL Combined Group EBITDA	**$ 1,852.3**

(4) RGHL Combined Group Historical Adjusted EBITDA is calculated as RGHL Combined Group EBITDA adjusted for particular items relevant to explaining operating performance. These adjustments include significant items of a non-recurring or unusual nature that cannot be attributed to ordinary business operations, restructuring and redundancy costs, gains and losses in relation to the valuation of derivatives and the full-period effect of businesses acquired after the beginning of a period. RGHL Combined Group Pro Forma Adjusted EBITDA is calculated as RGHL Combined Group Historical Adjusted EBITDA as adjusted to provide full-period effect to the implemented cost saving programs. 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 accordance with IFRS. The determination of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA contain a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See "Risk Factors." Additionally, Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA are 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 Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA in this information statement 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 Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful in measuring the ability of those issuers to meet debt service obligations. In addition, RGHL Combined Group Pro Forma Adjusted EBITDA is used to determine our compliance with certain covenants, including the fixed charge coverage ratio used for purposes of debt incurrence under the indentures governing the notes offered in connection with the Pactiv Transaction and certain other agreements governing our indebtedness. Because not all companies calculate Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA identically, this presentation of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA may not be comparable

to the similarly titled measures of other companies. The following table reconciles RGHL Combined Group EBITDA calculations presented above to RGHL Combined Group Historical Adjusted EBITDA and RGHL Combined Group Historical Adjusted EBITDA to RGHL Combined Group Pro Forma Adjusted EBITDA for the period presented:

	RGHL Combined Group EBITDA(*)			
	Year Ended December 31,	Six Months Ended June 30,		
	2009	2009	2010	LTM Period(**)
RGHL Combined Group EBITDA	**$ 1,961.0**	**$ 927.2**	**$ 818.5**	**$ 1,852.3**
Restructuring costs(a)	62.2	30.1	5.0	37.1
Black Liquor Credit(b)	(214.1)	(96.3)	—	(117.8)
Impairment of non-current assets(c)	15.8	5.4	5.7	16.1
Consulting fees for business optimization projects(d)	13.2	2.4	8.2	19.0
Transition costs(e)	23.6	10.5	—	13.1
Effect of purchase price adjustment on inventory(f)	—	—	0.8	0.8
Unrealized (gain) loss on derivatives(g)	(129.0)	(79.2)	17.2	(32.6)
Elimination of historical Reynolds Consumer hedging policy(h)	95.3	72.0	—	23.3
Inventory write off(i)	5.3	2.9	—	2.4
Pension plan adjustment(j)	30.4	16.2	(25.8)	(11.6)
Deferred compensation plan adjustments(k)	—	—	2.4	2.4
Other(l)	5.8	(1.0)	(2.4)	4.4
RGHL Combined Group Historical Adjusted EBITDA	**$ 1,869.5**	**$ 890.2**	**$ 829.6**	**$ 1,808.9**
Full period estimated effect of RGHL's cost savings(m)				31.5
Full period estimated effect of Pactiv's cost savings(n)				62.0
Full period estimated effect of acquisition synergies(o)				200.0
Full period estimated effect of RGHL's acquisition/divestitures(p)				1.7
Full period estimated effect of Pactiv's acquisition/divestitures(q)				21.2
RGHL Combined Group Pro Forma Adjusted EBITDA				**$ 2,125.3**

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

(**) The unaudited pro forma combined income statement for the LTM Period is calculated as follows: (i) the unaudited pro forma combined income statement for the year ended December 31, 2009, less (ii) the unaudited pro forma combined income statement for the six months ended June 30, 2009, plus (iii) the unaudited pro forma combined income statement for the six months ended June 30, 2010.

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

(b) Reflects tax credits, net of related expenses, received for the use of alternative fuel mixtures to produce energy to operate the Evergreen business during the 2009 fiscal year. The RGHL Combined Group does not expect any Black Liquor Credit going forward due to expiry of this tax legislation as of December 31, 2009.

(c) Reflects various impairment charges relating to the write-down of non-current assets to their recoverable amount.

(d) Reflects consulting fees in connection with the implementation of new projects at both our Evergreen and Reynolds Consumer segments, designed to optimize business processes, including the purchase of raw material and other inputs.

(e) Reflects incremental costs of $13.1 million incurred by RGHL associated with transitioning the Reynolds Consumer business from Alcoa, including costs related to IT systems and duplicative shared services during the transition period.

(f) Reflects the fair value adjustment to inventory as a result of the purchase price accounting exercise against cost of sales from Pactiv's acquisition of PWP.

(g) Reflects the adjustment for unrealized gains or losses on derivatives.

(h) Reflects the impact of the elimination of the historical Reynolds Consumer hedging policy in 2009.

(i) Reflects the write-off of inventory in Reynolds Foodservice from restructuring and business rationalization activities.

(j) Reflects the removal of the net pension income that has been recognized in re-measuring Pactiv's pension plan liabilities.

(k) Reflects the impact of a non-cash change in value of Pactiv's deferred compensation plans.

(l) Other reflects: an expense for non-recurring management fees relating to executives; an adjustment to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash; legal and other related costs in connection with a fraud in the Korean business which occurred at Evergreen in 2007 and subsequent settlement of the related insurance claim during 2009; write-off of related party receivables in the Venezuela operations; an expense for the legal fees related to the Blue Ridge Acquisition in 2007, which were incurred subsequent to the initial purchase accounting adjustments; write-down of assets held for sale; customs duties and VAT taxes on historical imports; a net gain on sale of businesses; business interruption costs at Closures; costs incurred by the Evergreen and Closures segments related to business acquisitions; plant realignment costs at Evergreen in 2009; costs associated with flood damage at Reynolds Consumer in 2009; and a loss on the sale of Baco assets in 2009. For more information, see note 3 under "— Summary Historical RGHL Group Financial Information."

(m) Reflects the full period estimated effect of RGHL's implemented cost savings programs.

(n) Reflects the full period estimated effect of Pactiv's implemented cost savings programs.

(o) Represents the estimated annual net cost savings associated with the acquisition of Pactiv. We expect that most actions necessary to begin realizing these estimated cost savings will have been taken by the end of 2011 and will be fully implemented during 2012. In addition, the RGHL Group expects to incur approximately $125 million of one time costs to achieve these cost savings benefits. The estimated cost savings are as follows:

Integration benefits(i)	$ 68.0
Plant consolidations(ii)	28.0
Logistics efficiencies(iii)	23.0
Procurement savings(iv)	20.0
Manufacturing improvements(v)	18.0
Other(vi)	43.0
	$ 200.0

(i) Represents estimated cost savings from combining the Pactiv and Reynolds Consumer and Foodservice businesses of $38 million related to overhead reductions, cost savings of $22 million from synergies in corporate governance and oversight costs, and $8 million of reduced information technology costs.

(ii) Represents estimated cost savings of $28 million from consolidating duplicative manufacturing facilities.

(iii) Represents estimated cost savings of $23 million from optimizing logistics and reduced warehousing costs.

(iv) Represents estimated reductions of $20 million in procurement costs resulting from benchmarking procurement costs and the benefits of scale.

(v) Represents estimated cost savings of $11 million from reducing raw materials costs by manufacturing foil internally and cost savings of $7 million from technology efficiencies by sharing manufacturing best practices.

(vi) Consists of estimated cost savings of $12 million from combining workforces, $13 million in reduced duplicative professional and consulting fees, $8 million in reduced costs from harmonizing employee benefits, $8 million in expenditure controls, and cost savings of $2 million from combining advertising and promotional programs.

(p) Reflects management's estimates of the full year effect of acquisitions and divestitures as follows:

(i) Reflects management's estimate of the full year effect of the acquisition on February 1, 2010 of Obrist Americas, Inc. for $36.2 million, as if the business operations were included from July 1, 2009. The adjustment attributable to the acquisition of Obrist Americas, Inc. has been derived from the books and records of such company and those books and records have not been subject to quarterly or yearly closing procedures by management and have not been audited or otherwise reviewed in any manner. In addition, the Obrist Americas, Inc. financial information has not been prepared on the same basis as the financial information of RGHL Group. Accordingly, this adjustment represents management's estimate and is not indicative of future performance for any period.

(ii) Reflects management's estimate of the full year effect of the acquisition of the Whakatane Mill on May 4, 2010 (see

“The Transactions — The Evergreen Transaction — Whakatane Acquisition”) as if the business operations were included from July 1, 2009. The adjustment attributable to the acquisition of the Whakatane Mill has been derived from the books and records of such company and those books and records have not been audited or otherwise reviewed in any manner. This adjustment represents management’s estimate and is not indicative of future performance for any period.

(iii) Reflects the removal from Pro Forma Adjusted EBITDA for the LTM Period of the operations of the Reynolds Foodservice envelope windowfilm business and its interest in Multiplastics (Europe) Limited which were sold.

(q) Reflects Pactiv management’s estimate of the full year effect of the PWP Acquisition for $200 million, as if the business operations were included from July 1, 2009. The adjustment attributable to the PWP Acquisition has been derived from the books and records of such company and those books and records have not been subject to quarterly or yearly closing procedures by Pactiv management and have not been audited or otherwise reviewed in any manner. The RGHL Group reports under IFRS, whereas the PWP financial information has been prepared in accordance with U.S. GAAP. This adjustment represents management’s estimate and is not indicative of future performance for any period.

(5) Net cash interest expense, excluding any expense related to the original issue discount and amortization of debt issuance costs, as derived from the unaudited pro forma income statement included under “Unaudited Pro Forma Combined Financial Information.”

(6) Total net senior secured debt represents total senior secured debt less cash and cash equivalents of $300.0 million. Total senior secured debt of $7,383.0 million represents the aggregate of (i) $1,500.0 million of Senior Secured Notes offered in connection with the Pactiv Transaction, (ii) $2,020.0 million under the New Incremental Senior Secured Credit Facilities, (iii) $800.0 million under the Existing Incremental Senior Secured Credit Facilities, (iv) $1,028.5 million and €246.9 million under the Senior Secured Credit Facilities, (v) $1,125.0 million and €450.0 million of the 2009 Notes and (vi) $57.9 million including secured overdrafts, finance lease obligations and secured derivative instruments.

(7) Total net senior guaranteed debt represents total senior guaranteed debt less cash and cash equivalents of $300.0 million. Total senior guaranteed debt of $10,470.3 million represents the aggregate of (i) total senior secured debt described in footnote (6) above, (ii) $1,500.0 million of the Senior Notes offered in connection with the Pactiv Transaction, (iii) $ 1,000.0 million of May 2010 Notes, (iv) €480.0 million of 2007 Senior Notes and (v) $0.7 million of unsecured related party borrowings.

(8) Total net senior debt represents total senior debt less cash and cash equivalents of $300.0 million. Total senior debt of $11,251.2 million represents the aggregate of (i) total senior guaranteed debt described in footnote (7) above, (ii) $780.9 million of existing Pactiv indebtedness not being repaid concurrently with the Pactiv Transaction.

(9) Total net debt represents total debt less cash and cash equivalents of $300.0 million. Total debt of $11,764.4 million represents the aggregate of (i) total net senior debt described in footnote (8) above and (ii) €420.0 million of 2007 Senior Subordinated Notes.

(10) For the 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 of 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 Senior Notes, the Senior Secured Notes, the May 2010 Notes, the 2009 Notes and the 2007 Notes. For the RGHL Group on a historical basis, the ratio of earnings to fixed charges for the LTM period was 1.1x.

SUMMARY HISTORICAL RGHL GROUP FINANCIAL INFORMATION

	RGHL Group					
	Year Ended December 31,			Six Months Ended June 30,		
	2007(*†)	2008(†)	2009(†)	2009(††)	2010(††)	LTM Period(**)
	(IFRS) (In $ millions)					
Income Statement						
Revenue	**$ 2,115.9**	**$ 6,103.7**	**$ 6,002.4**	**$ 2,890.6**	**$ 3,032.6**	**$ 6,144.4**
Cost of sales	(1,849.0)	(5,400.1)	(4,783.7)	(2,367.9)	(2,507.2)	(4,923.0)
Gross profit	**266.9**	**703.6**	**1,218.7**	**522.7**	**525.4**	**1,221.4**
Other income	155.4	93.6	201.0	116.0	43.9	128.9
Selling, marketing and distribution expenses	(60.0)	(228.5)	(210.7)	(105.4)	(102.5)	(207.8)
General and administration expenses	(178.2)	(334.3)	(366.8)	(170.7)	(176.6)	(372.7)
Other expenses	(40.4)	(246.4)	(95.9)	(43.5)	(52.3)	(104.7)
Share of profit of associates and joint ventures, net of income tax (equity method)	3.6	6.3	11.4	4.8	9.4	16.0
Profit (loss) from operating activities	**147.3**	**(5.7)**	**757.7**	**323.9**	**247.3**	**681.1**
Financial income	14.4	164.5	20.9	8.0	11.0	23.9
Financial expenses	(302.8)	(408.8)	(513.2)	(223.9)	(349.8)	(639.1)
Net financial income (expenses)	**(288.4)**	**(244.3)**	**(492.3)**	**(215.9)**	**(338.8)**	**(615.2)**
Profit (loss) before income tax	**(141.1)**	**(250.0)**	**265.4**	**108.0**	**(91.5)**	**65.9**
Income tax benefit (expense)	30.0	63.1	(148.7)	(62.4)	(35.3)	(121.6)
Profit (loss) from continuing operations for the period	**$ (111.1)**	**$ (186.9)**	**$ 116.7**	**$ 45.6**	**$ (126.8)**	**$ (55.7)**

* Represents 11 months of operations of the RGHL Group.

** The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2009 less (ii) RGHL Group for the six months ended June 30, 2009 plus (iii) RGHL Group for the six months ended June 30, 2010.

† Derived from the audited financial statements of the RGHL Group.

†† Derived from the unaudited financial statements of the RGHL Group.

	RGHL Group			
	As of December 31,			As of June 30,
	2007(†)	2008(†)	2009(†)	2010(††)
	(IFRS) (In $ millions)			
Balance Sheet Data				
Cash and cash equivalents	$ 339.5	$ 386.6	$ 515.5	$ 601.7
Trade and other receivables	483.6	709.6	683.1	705.2
Inventories	401.3	828.1	755.6	808.8
Property, plant and equipment	1,241.6	1,939.5	1,825.0	1,761.5
Intangible assets	1,910.4	3,361.1	3,279.1	3,070.3
Other assets	636.0	701.3	808.6	788.1
Total assets	**5,012.4**	**7,926.2**	**7,866.9**	**7,735.6**
Trade and other payables	360.7	710.2	760.7	842.7
Borrowings — current	912.2	2,361.1	112.3	60.5
Borrowings — non-current	2,986.6	2,544.4	4,841.8	5,654.2
Other liabilities	822.7	1,284.1	1,048.7	951.9
Total liabilities	**$ 5,082.2**	**$ 6,899.8**	**$ 6,763.5**	**$ 7,509.3**
Net assets (liabilities)	**$ (69.8)**	**$ 1,026.4**	**$ 1,103.4**	**$ 226.3**

† Derived from the audited financial statements of the RGHL Group.

†† Derived from the unaudited financial statements of the RGHL Group.

	RGHL Group					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(*†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(**)
	(IFRS) (In $ millions)					
Other Financial Data						
Total capital expenditures	$ 162.9	$ 288.4	$ 292.4	$ 162.9	$ 125.4	$ 254.9
RGHL Group EBITDA(2)	357.0	470.7	1,259.4	567.2	476.3	1,168.5
RGHL Group Historical Adjusted EBITDA(3)	316.1	784.8	1,130.3	512.0	508.5	1,126.8
RGHL Group Pro Forma Adjusted EBITDA(3)						1,160.0
Cash Flow Statement Data						
Net cash flows from (used in) operating activities	115.4	450.6	769.8	364.1	189.1	594.8
Net cash flows from (used in) investing activities	(2,032.1)	(2,721.7)	(135.3)	(131.9)	(163.1)	(166.5)
Net cash flows from (used in) financing activities	2,178.7	2,347.3	(500.6)	(117.9)	96.0	(286.7)

* Represents 11 months of operations of the RGHL Group.

** The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2009 less (ii) RGHL Group for the six months ended June 30, 2009 plus (iii) RGHL Group for the six months ended June 30, 2010.

† Derived from the audited financial statements of the RGHL Group.

†† Derived from the unaudited financial statements of the RGHL Group.

(1) The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2009 less (ii) RGHL Group for the six months ended June 30, 2009 plus (iii) RGHL Group for the six months ended June 30, 2010.

(2) RGHL Group EBITDA, a measure used by our management to measure operating performance, 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 either U.S. GAAP or IFRS or as a substitute for cash flow from operating activities as a measure of our liquidity in accordance with either U.S. GAAP or IFRS. The determinations of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA contain a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See "Risk Factors." 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 information statement 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 in measuring the ability of those issuers to meet debt service obligations. Because not all companies calculate EBITDA identically, this presentation of RGHL Group EBITDA may not be comparable to other similarly titled measures in other companies. The following table reconciles RGHL Group EBITDA calculations presented above to our profit (loss) from continuing operations for the period presented:

	RGHL Group					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(*†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(**)
	(IFRS) (In $ millions)					
Profit (loss) from continuing operations	**$ (111.1)**	**$ (186.9)**	**$ 116.7**	**$ 45.6**	**$ (126.8)**	**$ (55.7)**
Income tax (benefit) expense	(30.0)	(63.1)	148.7	62.4	35.3	121.6
Net financial expenses (income)	288.4	244.3	492.3	215.9	338.8	615.2
Depreciation and amortization	209.7	476.4	501.7	243.3	229.0	487.4
RGHL Group EBITDA(2)	**$ 357.0**	**$ 470.7**	**$ 1,259.4**	**$ 567.2**	**$ 476.3**	**$ 1,168.5**

* Represents 11 months of operations of the RGHL Group.

** The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2009 less (ii) RGHL Group for the six months ended June 30, 2009 plus (iii) RGHL Group for the six months ended June 30, 2010.

† Derived from the audited financial statements of the RGHL Group.

†† Derived from the unaudited financial statements of the RGHL Group.

(3) RGHL Group Historical Adjusted EBITDA is calculated as RGHL Group EBITDA adjusted for particular items relevant to explaining operating performance. These adjustments include significant items of a non-recurring or unusual nature that cannot be attributed to ordinary business operations, restructuring and redundancy costs, gains and losses in relation to the valuation of derivatives and the estimated full-period effect for businesses acquired after the beginning of a period. RGHL Group Pro Forma Adjusted EBITDA is defined as RGHL Group Historical Adjusted EBITDA as adjusted to provide full-period effect to the implemented cost saving initiatives. Historical Adjusted EBITDA is not a presentation made in accordance with either U.S. GAAP or 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 either U.S. GAAP or IFRS or operating cash flows determined in accordance with either U.S. GAAP or IFRS. Additionally, Historical 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 Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA in this information statement 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 Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful in measuring the ability of those issuers to meet debt service obligations. In addition, Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA are used to determine our compliance with certain covenants, including the fixed charge coverage ratio used for purposes of debt incurrence under the notes offered in connection with the Pactiv Transaction. Because not all companies calculate Adjusted EBITDA identically, this presentation of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA may not be comparable to the similarly titled measures of other companies. The following table reconciles RGHL Group EBITDA calculations presented above to RGHL Group Historical Adjusted EBITDA and RGHL Group Historical Adjusted EBITDA to RGHL Group Pro Forma Adjusted EBITDA for the period presented:

	RGHL Group					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(*†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(**)
	(IFRS) (In $ millions)					
RGHL Group EBITDA	**$ 357.0**	**$ 470.7**	**$ 1,259.4**	**$ 567.2**	**$ 476.3**	**$ 1,168.5**
Restructuring costs(a)	23.1	78.9	57.9	28.1	3.5	33.3
Black Liquor Credit(b)	—	—	(214.1)	(96.3)	—	(117.8)
Related party management fees(c)	3.1	3.4	2.5	1.2	0.8	2.1
Impairment of non-current assets(d)	—	—	12.9	5.4	5.7	13.2
Equity method joint venture profit not distributed in cash(e)	(3.6)	(6.3)	(10.0)	(4.1)	(7.4)	(13.3)
Consulting fees for business optimization projects(f)	—	—	13.2	2.4	8.2	19.0
Korean insurance claim(g)	3.5	—	(2.0)	—	—	(2.0)
Venezuela receivable(h)	—	—	1.4	—	—	1.4
Legal costs related to the Blue Ridge Acquisition(i)	—	—	1.2	—	—	1.2
Write-down of assets held for sale(j)	—	—	0.7	—	—	0.7
Transition costs(k)	—	10.2	23.6	10.5	—	13.1
Discount on acquisition(l)	(58.5)	—	—	—	—	—
Effect of purchase price adjustment on inventory(m)	0.5	30.5	—	—	—	—
VAT and Customs duties on historical imports(n)	7.3	2.2	3.5	—	9.3	12.8
Gain on sale of non-current assets(o)	—	(1.9)	—	—	—	—
Gain on sale of businesses(p)	—	—	—	—	(11.4)	(11.4)
Business interruption costs(q)	—	—	—	—	2.1	2.1
Costs related to business acquisitions(r)	—	—	—	—	4.2	4.2
Unrealized (gain) loss on derivatives(s)	(2.4)	160.1	(129.0)	(79.2)	17.2	(32.6)

Realized losses on derivatives novated with related party(t)	—	32.8	—	—	—	—
Plant realignment costs(u)	—	—	2.1	1.9	—	0.2
Flood damage(v)	—	—	5.2	—	—	5.2
Loss on sale of Baco assets(w)	—	—	1.2	—	—	1.2
Auction costs(x)	0.8	—	—	—	—	—
Release of unused provisions(y)	(17.1)	—	—	—	—	—
Valuation of prototypes(z)	2.4	—	—	—	—	—
Elimination of historical Reynolds Consumer hedging policy(aa)	—	4.2	95.3	72.0	—	23.3
Inventory write-off(bb)	—	—	5.3	2.9	—	2.4
RGHL Group Historical Adjusted EBITDA	**$ 316.1**	**$ 784.8**	**$ 1,130.3**	**$ 512.0**	**$ 508.5**	**$ 1,126.8**
Full period estimated effect of cost savings(cc)						$ 31.5
Full year effect of acquisition/divestitures(dd)						$ 1.7
RGHL Group Pro Forma Adjusted EBITDA						**$ 1,160.0**

* Represents 11 months of operations of the RGHL Group.

** The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2009 less (ii) RGHL Group for the six months ended June 30, 2009 plus (iii) RGHL Group for the six months ended June 30, 2010.

† Derived from the audited financial statements of the RGHL Group.

†† Derived from the unaudited financial statements of the RGHL Group.

(a) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures, as disclosed in note 10 of the RGHL financial statements for the periods ended December 31, 2009, 2008 and 2007.

(b) Reflects tax credits, net of related expenses, received for the use of alternative fuel mixtures to produce energy to operate the Evergreen business during the 2009 fiscal year. RGHL does not expect any Black Liquor Credit going forward due to expiry of this tax legislation as of December 31, 2009. See "RGHL Group Operating and Financial Review and Prospects."

(c) Reflects an expense for non-recurring management fees relating to executives.

(d) Reflects impairment charges at Evergreen relating to the write-down of non-current assets to their recoverable amount, predominantly in relation to the sale of a plant in Venezuela, as disclosed in note 10 of the RGHL financial statements for the periods ended December 31, 2009, 2008 and 2007.

(e) Reflects an adjustment 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 financial statements for the periods ended December 31, 2009, 2008 and 2007.

(f) Reflects consulting fees in connection with the implementation of a new project at both our Evergreen and Reynolds Consumer segments, designed to optimize business processes, including the purchase of raw material and other inputs.

(g) Reflects legal and other related costs in connection with a fraud in the Korean business which occurred at Evergreen in 2007 and subsequent settlement of the related insurance claim during 2009. The 2007 expense is disclosed in note 10 and the 2009 income is disclosed in note 8 of the RGHL financial statements for the periods ended December 31, 2009, 2008 and 2007.

(h) Reflects write-off of related party receivables in the Venezuela operations.

(i) Reflects an expense for the legal fees related to the Blue Ridge Acquisition in 2007, which were incurred subsequent to the initial purchase accounting adjustments.

(j) Reflects write-down on assets held for sale.

(k) Reflects incremental costs of $13.1 million incurred by RGHL associated with transitioning the Reynolds Consumer business from Alcoa, including costs related to IT systems and duplicative shared services during the transition period.

(l) Reflects the discount on acquisition arising from the Evergreen Acquisition, as disclosed in note 8 of the RGHL financial statements for the periods ended December 31, 2009, 2008 and 2007.

(m) Reflects the fair value adjustment to inventory as a result of the purchase price accounting exercise against cost of sales at Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice.

(n) Reflects customs duties and VAT taxes on historical imports.

(o) Reflects the gain on sale of non-current assets of $1.9 million in 2008.

(p) Reflects a total gain on sale of businesses of $11.4 million in the six months ended June 30, 2010, comprising $9.1 million on disposal of the Reynolds Foodservice interest in its envelope window film business, and $2.3 million on other business disposals.

(q) Reflects $2.1 million of business interruption costs at Closures incurred in the six months ended June 30, 2010.

(r) Reflects costs incurred by the Evergreen and Closures segments related to business acquisitions.

(s) Reflects the adjustment for unrealized gains or losses on derivatives.

(t) Reflects realized losses of $32.8 million on derivatives novated with a related party in 2008.

(u) Reflects plant realignment costs at Reynolds Consumer in 2009.

(v) Reflects costs of $5.2 million associated with flood damage at Reynolds Consumer in 2009.

(w) Reflects a loss of $1.2 million on sale of Baco assets in 2009.

(x) Reflects auction costs of $0.8 million incurred at SIG in 2007.

(y) Reflects the release of $17.1 million of unused provisions at SIG in 2007.

(z) Reflects the impairment in valuation of prototypes of $2.4 million at SIG in 2007.

(aa) Reflects the impact of the elimination of the historical Reynolds Consumer hedging policy in 2008 and 2009.

(bb) Reflects a write-off of inventory in Reynolds Foodservice from restructuring and business rationalization activities.

(cc) Reflects the full period estimated effect of implemented cost saving programs.

(dd) (1) Reflects management's estimate of the full year effect of the acquisition on February 1, 2010 of Obrist Americas, Inc. for $36.2 million, as if the business operations were included from July 1, 2009. The adjustment attributable to the acquisition of Obrist Americas, Inc. has been derived from the books and records of such company and those books and records have not been subject to quarterly or yearly closing procedures by management and have not been audited or otherwise reviewed in any manner. In addition, the Obrist Americas, Inc. financial information has not been prepared on the same basis as the financial information of RGHL Group. Accordingly, this adjustment represents management's estimate and is not indicative of future performance for any period.

(2) Reflects management's estimate of the full year effect of the acquisition of the Whakatane Mill on May 4, 2010 (see "The Transactions — The Evergreen Transaction — Whakatane Acquisition") as if the business operations were included from July 1, 2009. The adjustment attributable to the acquisition of the Whakatane Mill has been derived from the books and records of such company and those books and records have not been audited or otherwise reviewed in any manner. This adjustment represents management's estimate and is not indicative of future performance for any period.

(3) Reflects the removal from Pro Forma Adjusted EBITDA for the LTM Period of the operations of the Reynolds Foodservice envelope window film business and its interest in Multiplastic (Europe) Limited which were sold.

SUMMARY HISTORICAL PACTIV FINANCIAL INFORMATION

	Pactiv					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(1)
	(U.S. GAAP) (In $ millions)					
Income statement						
Sales	$ 3,253	$ 3,567	$ 3,360	$ 1,667	$ 1,750	$ 3,443
Costs and expenses	2,784	3,123	2,781	1,369	1,507	2,919
Operating income	469	444	579	298	243	524
Interest income	5	2	1	1	—	—
Interest expense, net of interest capitalized	(96)	(106)	(94)	(47)	(49)	(96)
Income before income taxes	**378**	**340**	**486**	**252**	**194**	**428**
Income tax expense	133	119	177	94	71	154
Income from continuing operations	**245**	**221**	**309**	**158**	**123**	**274**
Discontinued operations, net of tax	1	(4)	15	(1)	—	16
Net income	**246**	**217**	**324**	**157**	**123**	**290**
Less: Net income attributable to the noncontrolling interest	2	1	1	—	—	1
Net income attributable to Pactiv	**$ 244**	**$ 216**	**$ 323**	**$ 157**	**$ 123**	**$ 289**

† Derived from the audited financial statements of Pactiv.

†† Derived from the unaudited financial statements of Pactiv.

(1) The LTM Period is calculated as follows: (i) Pactiv for the year ended December 31, 2009 less (ii) Pactiv for the six months ended June 30, 2009 plus (iii) Pactiv for the six months ended June 30, 2010.

	Pactiv			
	As of December 31,			As of June 30,
	2007*	2008(†)	2009(†)	2010(††)
	(U.S. GAAP) (In $ millions)			
Balance Sheet Data				
Cash and cash equivalents	$ 95	$ 80	$ 46	$ 43
Accounts and notes receivables	273	311	328	512
Inventories	418	391	390	489
Deferred income tax assets	26	—	53	19
Other current assets	14	15	15	17
Property, plant and equipment	1,264	1,209	1,172	1,237
Goodwill	1,127	1,128	1,135	1,232
Intangible assets	423	396	372	375
Noncurrent deferred income tax asset	—	161	—	—
Other noncurrent assets	158	70	63	58
Total assets	**3,798**	**3,761**	**3,574**	**3,982**
Current liabilities	460	338	417	690
Long-term debt	1,574	1,345	1,270	1,270
Deferred income taxes	219	—	61	91
Pension and postretirement benefits	147	1,266	694	629
Other noncurrent liabilities	94	95	120	145
Noncurrent liabilities related to discontinued operations	32	30	11	11
Total liabilities	**$ 2,526**	**$ 3,074**	**$ 2,573**	**$ 2,836**
Net assets	**$ 1,272**	**$ 687**	**$ 1,001**	**$ 1,146**

* Financial statements as of December 31, 2007 were originally audited. However, the financial statements were subsequently revised to apply the change in inventory accounting method as further discussed in the Pactiv financial. Revised Pactiv financial statements as of December 31, 2007 have not been re-issued to reflect this change in accounting policy.

† Derived from the audited financial statements of Pactiv.

†† Derived from the unaudited financial statements of Pactiv.

	Pactiv					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(*)
	(U.S. GAAP) (In $ millions)					
Other Financial Data						
Total capital expenditures	$ 151	$ 136	$ 111	$ 49	$ 65	$ 127
Pactiv EBITDA-U.S. GAAP(1)	$ 640	$ 640	$ 762	$ 389	$ 339	$ 712
Pactiv Historical Adjusted EBITDA-IFRS(2)						$ 682.1
Pactiv Pro Forma Adjusted EBITDA-IFRS(2)						$ 765.3
Cash Flow Statement Data						
Net cash flows from (used in) operating activities	$ 437	$ 350	$ 161	$ 215	$ 119	$ 65
Net cash flows from (used in) investing activities	$ (1,164)	$ (137)	$ (129)	$ (68)	$ (263)	$ (324)
Net cash flows from (used in) financing activities	$ 638	$ (226)	$ (66)	$ —	$ 142	$ 76

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* The LTM Period is calculated as follows: (i) Pactiv for the year ended December 31, 2009 less (ii) Pactiv for the six months ended June 30, 2009 plus (iii) Pactiv for the six months ended June 30, 2010.

† Derived from the audited financial statements of Pactiv.

†† Derived from the unaudited financial statements of Pactiv.

(1) EBITDA is defined by Pactiv as consolidated earnings before interest, taxes, depreciation and amortization, and other unusual noncash items.

(2) EBITDA, a measure used by RGHL's management to measure operating performance, 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 Pactiv's 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 either U.S. GAAP or IFRS or as a substitute for cash flow from operating activities as a measure of Pactiv's liquidity in accordance with either U.S. GAAP or IFRS. The determination of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA contain a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See "Risk Factors." 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 information statement is appropriate to provide additional information to investors about Pactiv's 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 in measuring the ability of those issuers to meet debt service obligations. Because not all companies calculate EBITDA identically, this presentation of Pactiv's EBITDA may not be comparable to other similarly titled measures in other companies. The following table reconciles Pactiv's EBITDA calculations presented above to Pactiv's profit (loss) from continuing operations for the period presented:

	Pactiv					
	Year Ended December 31,			Six Months Ended June 30,		LTM
	2007(†)	2008(†)	2009(†)	2009(††)	2010(††)	Period(*)
	(U.S. GAAP) (In $ millions)					
Net income attributable to Pactiv	**$ 244**	**$ 216**	**$ 323**	**$ 157**	**$ 123**	**$ 289**
Noncash restructuring and other	—	12	(1)	(1)	—	—
Discontinued operations, net of tax	(1)	4	(15)	1	—	(16)
Interest income	(5)	(2)	(1)	(1)	—	—
Interest expense, net of interest capitalized	96	106	94	47	49	96
Income tax expense	133	119	177	94	71	154
Depreciation and amortization	166	182	184	92	96	188
Noncontrolling interest	2	1	1	—	—	1
Pactiv EBITDA	**$ 635**	**$ 638**	**$ 762**	**$ 389**	**$ 339**	**$ 712**

* The LTM Period is calculated as follows: (i) Pactiv for the year ended December 31, 2009 less (ii) Pactiv for the six months ended June 30, 2009 plus (iii) Pactiv for the six months ended June 30, 2010.

† Derived from the audited financial statements of Pactiv.

†† Derived from the unaudited financial statements of Pactiv.

(2) EBITDA is defined by Pactiv as consolidated earnings before interest, taxes, depreciation and amortization, and other unusual noncash items.

Pactiv Historical Adjusted EBITDA is calculated as Pactiv EBITDA adjusted for particular items relevant to explaining operating performance. These adjustments include significant items of a non-recurring or unusual nature that cannot be attributed to ordinary business operations, restructuring and redundancy costs, gains and losses in relation to the valuation of derivatives and the full-period effect for businesses acquired after the beginning of a period. Pactiv Pro Forma Adjusted EBITDA is defined as Pactiv Historical Adjusted EBITDA as adjusted to provide the estimated full-period effect to the implemented cost saving initiatives. Historical Adjusted EBITDA is not a presentation made in accordance with either U.S. GAAP or 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 either U.S. GAAP or IFRS or operating cash flows determined in accordance with either U.S. GAAP or IFRS. Additionally, Historical 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 Pactiv's indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA in this information statement is appropriate to provide additional information to investors about Pactiv's 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 Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful in measuring the ability of those issuers to meet debt service obligations. In addition, Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA are used to determine compliance with certain covenants, including the fixed charge coverage ratio used for purposes of debt incurrence under the notes offered in connection with the Pactiv Transaction. Because not all companies calculate Adjusted EBITDA identically, this presentation of Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA may not be comparable to the similarly titled measures of other companies. The following table reconciles Pactiv's EBITDA calculations presented above to Pactiv Historical Adjusted EBITDA and Pactiv Historical Adjusted EBITDA to Pactiv Pro Forma Adjusted EBITDA for the periods presented:

Reconciliation of Pactiv EBITDA as Reported under U.S. GAAP to Pactiv EBITDA as Measured Under IFRS

	Pactiv LTM Period(*)
	(In $ millions)
Pactiv EBITDA as reported under U.S. GAAP	**$ 712.0**
Adjustment for consolidation of JV(a)	1.0
Adjustment for receivables securitization(b)	0.6
Adjustment for pensions(c)	(31.4)
Adjustment for leases(d)	1.6
Pactiv EBITDA as measured under IFRS	**$ 683.8**

* The LTM Period is calculated as follows: (i) Pactiv for the year ended December 31, 2009 less (ii) Pactiv for the six months ended June 30, 2009 plus (iii) Pactiv for the six months ended June 30, 2010.

(a) Reflects the net adjustment for the consolidation of a joint venture entity under IFRS that was accounted for using the equity method under U.S. GAAP.

(b) Reflects the net adjustment on consolidation under IFRS of Pactiv's receivable securitization entity. This adjustment increases EBITDA as certain expenses are reclassified to financial expenses.

(c) Reflects the adjustment to reduce Pactiv's net pension income due to differences between U.S. GAAP and IFRS.

(d) Reflects the net adjustments on reclassification of certain leases from operating leases to financing leases resulting in an increase in EBITDA.

	Pactiv LTM Period(*)
Pactiv EBITDA as measured under IFRS	**$ 683.8**
Restructuring costs(a)	3.8
Impairment of non-current assets(b)	2.9
Effect of purchase price adjustment on inventory(c)	0.8
Pension plan adjustment(d)	(11.6)
Deferred compensation plan adjustments(e)	2.4
Pactiv Adjusted EBITDA as measured under IFRS	**682.1**
Full period estimated effect of cost savings(f)	62.0
Full period estimated effect of acquisition / divestitures(g)	21.2
Pactiv Pro Forma Adjusted EBITDA as measured under IFRS	**$ 765.3**

* The LTM Period is calculated as follows: (i) Pactiv for the year ended December 31, 2009 less (ii) Pactiv for the six months ended June 30, 2009 (iii) Pactiv for the six months ended June 30, 2010

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

(b) Reflects various impairment charges relating to the write-down of non-current assets to their recoverable amount.

(c) Reflects the fair value adjustment to inventory as a result of the purchase price accounting exercise against cost of sales resulting from the PWP acquisition.

(d) Reflects the removal of the net pension income that has been recognized on re-measuring Pactiv's pension plan liabilities to IFRS.

(e) Reflects the impact of a non-cash change in value of Pactiv's deferred compensation plans.

(f) Reflects the full period estimated effect of Pactiv's implemented cost savings programs.

(g) Reflects management's estimate of the full year effect of the acquisition on April 1, 2010 of PWP for $200 million, as if the business operations were included from July 1, 2009. The adjustment attributable to the PWP acquisition has been derived from the books and records of such company and those books and records have not been subject to quarterly or yearly closing procedures by Pactiv management and have not been audited or otherwise reviewed in any manner. The RGHL Group reports under IFRS, whereas the PWP financial information has been prepared in accordance with U.S. GAAP. This adjustment represents management's estimate and is not indicative of future performance for any period.

THE TRANSACTIONS

The Pactiv Transaction

The Pactiv Transaction is a transaction pursuant to which Reynolds Acquisition Corporation, a wholly owned indirect subsidiary of RGHL, will merge with and into Pactiv, with Pactiv surviving the merger as an indirect wholly owned subsidiary of RGHL. We expect that after the consummation of the Pactiv Transaction, Hefty Consumer Products will become part of our Reynolds Consumer segment and Pactiv Foodservice will become part of our Reynolds Foodservice segment. In addition to the Pactiv Acquisition, the Pactiv Transaction also contemplates the Pactiv Tender Offers and Pactiv Change of Control Offers, as well as certain financing arrangements including the offering of the notes.

We intend to finance the Pactiv Acquisition with (i) the $1,500 million principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction, (ii) the $1,500 million principal amount of Senior Notes offered in connection with the Pactiv Transaction, (iii) the $2,020 million principal amount of the incremental term loans under the New Incremental Senior Secured Credit Facilities and (iv) the Equity Contribution.

In connection with the Pactiv Transaction, our lenders have agreed to certain amendments to our Existing Senior Secured Credit Facilities, including, among other matters, the borrowing of $2,020 million of new incremental term loans under the New Incremental Senior Secured Credit Facilities. See "Description of Certain Other Indebtedness."

Pactiv Acquisition Merger Agreement

On August 16, 2010, RGHL, Reynolds Acquisition Corporation, Rank Group and Pactiv entered into an agreement and plan of merger pursuant to which (i) the stockholders of Pactiv will, if the Pactiv Acquisition is consummated, receive cash in exchange for their shares and (ii) Reynolds Acquisition Corporation, a wholly owned indirect subsidiary of RGHL, will merge with and into Pactiv, with Pactiv surviving the merger as an indirect wholly owned subsidiary of RGHL. The consideration for the acquisition of Pactiv, together with the repayment of existing Pactiv indebtedness and transaction fees and expenses, is approximately $5,742 million.

Under the terms of the merger agreement, Pactiv's stockholders will receive $33.25 in cash for each share of Pactiv common stock they own at the effective time of the Pactiv Acquisition.

Pactiv's board of directors unanimously approved the merger agreement and has recommended that Pactiv's common stockholders adopt the merger agreement and approve the transactions contemplated thereby. Completion of the transaction is subject to Pactiv's stockholder approval, foreign regulatory approvals, and other customary closing conditions, and is expected to occur by the end of 2010. There can be no assurance that the Pactiv Acquisition will close within the expected timeframe, or at all. See "Risk Factors — Risks Related to the Pactiv Acquisition."

The Reynolds Foodservice Acquisition

The Reynolds Foodservice Acquisition was a transaction pursuant to which (i) Reynolds Group Holdings Inc. acquired Reynolds Packaging Inc. and its subsidiaries and (ii) Closure Systems International B.V. acquired Reynolds Packaging International B.V. and its subsidiaries together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V. is also beneficially owned by Graeme Hart, our strategic owner. The aggregate purchase price was $297 million subject to pending post-closing adjustments for net cash and working capital. The Reynolds Foodservice Acquisition was consummated on September 1, 2010 and Reynolds Packaging Inc. and Reynolds Packaging International B.V., together with their respective subsidiaries, became our Reynolds Foodservice segment.

We financed the Reynolds Foodservice Acquisition with available cash.

The Evergreen Transaction

The Evergreen Transaction was a transaction pursuant to which (i) Reynolds Group Holdings Inc. acquired Evergreen U.S., (ii) SIG Holding acquired Evergreen Lux, from affiliated entities, that along with Reynolds Group Holdings Inc. and SIG Holding are also beneficially owned by Graeme Hart, our strategic owner, and (iii) Whakatane Limited, one of our subsidiaries, acquired the Whakatane Mill from CHH. After the consummation of the Evergreen Transaction, Evergreen U.S. and Evergreen Lux, together with their respective subsidiaries, became our Evergreen segment and the Whakatane Mill became a part of our SIG segment. On the date of the closing of the Evergreen Transaction all of the indebtedness outstanding as of such date under the GE Facility was repaid.

We financed the Evergreen Transaction with (i) the $1,000.0 million principal amount of May 2010 Notes, (ii) the $800.0 million principal amount of the Existing Incremental Senior Secured Credit Facilities and (iii) available cash. See "Description of Certain Other Indebtedness."

Evergreen Acquisition

On May 4, 2010, Reynolds Group Holdings Inc. acquired all of the issued and outstanding shares of capital stock of Evergreen U.S. and SIG Holding acquired all of the issued and outstanding shares of capital stock of Evergreen Lux, from CHH, for a total purchase price of $1,612.0 million (including certain post-closing adjustments).

Whakatane Acquisition

On May 4, 2010, Whakatane Limited purchased CHH's assets and liabilities associated with the Whakatane Mill for a purchase price of $45.8 million (including certain post-closing adjustments).

The RGHL Transaction

The RGHL Transaction was a transaction pursuant to which BP III acquired Reynolds Consumer and Closures from affiliated entities that, along with BP III, were also beneficially owned by Graeme Hart, our strategic owner. After the consummation of the RGHL Transaction, the acquired entities became our Reynolds Consumer and Closures segments. On the date of the closing of the RGHL Transaction all of the indebtedness outstanding as of such date under the Reynolds Facility and the SIG Senior Credit Facilities was repaid.

We financed the RGHL Transaction with (i) a $544.0 million cash equity contribution by RGHL to BP I, (ii) the $1,125 million principal amount of 2009 Dollar Notes, (iii) the €450 million principal amount of 2009 Euro Notes, (iv) the $1,035 million principal amount of the dollar term loan borrowings under the Original Senior Secured Credit Facilities, (v) the €250 million principal amount of the euro term loan borrowings under the Original Senior Secured Credit Facilities, and (vi) approximately €116 million of cash from SIG.

Reynolds Consumer Acquisition

On November 5, 2009, BP III acquired all of the issued and outstanding shares of capital stock of Reynolds Consumer Lux for a purchase price of $15 million (the "International Purchase Price") and Reynolds Group Holdings Inc. acquired all of the issued and outstanding shares of capital stock of Reynolds Consumer Holdings for a purchase price of $1,785 million (the "U.S. Purchase Price" and, together with the International Purchase Price, the "Aggregate Purchase Price"), less the amount of outstanding consolidated indebtedness of Reynolds Consumer Holdings and its subsidiaries under the Reynolds Facility as of the date of the closing of the Reynolds Consumer Acquisition.

The Aggregate Purchase Price was adjusted, following the closing of the Reynolds Consumer Acquisition, for consolidated net cash, working capital and benefit of earnings, resulting in an aggregate $2.6 million paid in the form of intercompany debt arrangements to Reynolds Group Holdings Inc. and BP III.

Closures Acquisition

On November 5, 2009, BP III acquired all of the issued and outstanding shares of capital stock of Closures Lux for a purchase price of $1,223 million less the amount of outstanding consolidated indebtedness of Closures Lux and its subsidiaries under the Reynolds Facility as of the date of the closing of the Closures Acquisition. The purchase price was adjusted, following the closing of the Closures Acquisition, for consolidated net cash, working capital and benefit of earnings, resulting in an aggregate of $7.5 million paid by BP III to Closures N.Z. in the form of cash and certain intercompany debt arrangements.

The Reynolds Acquisition

In 2008, the Reynolds Acquisition was consummated for $2.7 billion in cash (subject to post-closing adjustments). Businesses acquired in the Reynolds Acquisition included (i) the businesses of Alcoa that became, following the RGHL Transaction, our Reynolds Consumer and Closures segments, as well as (ii) the food and flexible packaging division of Alcoa, which became, following the Reynolds Foodservice Acquisition, our Reynolds Foodservice segment.

The Reynolds Acquisition was consummated on February 29, 2008 in 20 countries, including the U.S. Due to certain jurisdictional requirements the acquisition of the operations in the remaining six countries was consummated during the period from March 1, 2008 to July 31, 2008.

The SIG Transaction

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

The purchase of the SIG Combibloc shares, the refinancing of certain existing indebtedness and the payment of related fees and expenses were financed with the proceeds of a €740 million term loan made available under the SIG Senior Credit Facilities, the proceeds of a €770 million bridge facility and €405 million in equity contributions by affiliates of RGHL. The bridge facility was subsequently repaid with the proceeds of the 2007 Notes and the SIG Senior Credit Facilities were prepaid in an amount of €130 million with the balance of the proceeds of the 2007 Notes. For additional information regarding the 2007 Notes, see "Description of Certain Other Indebtedness."

SOURCES AND USES OF FUNDS IN CONNECTION WITH THE PACTIV ACQUISITION

The expected estimated sources and uses of the funds for the Pactiv Transaction (assuming it had been completed as of on June 30, 2010) are shown in the table below. Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of the cost of repaying certain of Pactiv's existing indebtedness, differences from our estimate of fees and expenses, fluctuations in cash on hand between June 30, 2010 and the actual closing date of the Pactiv Transaction and fluctuations in applicable exchange rates.

We intend to use the net proceeds from the issuance of the notes together with the Equity Contribution, funds from the New Incremental Senior Secured Credit Facilities and available cash (i) to finance the Pactiv Acquisition, (ii) to repay certain Pactiv indebtedness, including the repayment of the Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offers (and Pactiv Change of Control Offers, if any) and (iii) to pay related fees and expenses. Only a limited amount of the proceeds of the offering, if any, may be available to be invested in our business. The release of the proceeds of the offering from escrow is conditioned upon, among other factors, the contemporaneous consummation of the Pactiv Acquisition. There can be no assurance that the Pactiv Acquisition will close. If the merger agreement governing the Pactiv Acquisition is terminated or the Pactiv Acquisition is not consummated on or prior to (i) March 16, 2011, the termination date of the merger agreement, or (ii) June 16, 2011, if such termination date is extended pursuant to the terms of the merger agreement, the notes will be subject to a special mandatory redemption and the proceeds from the offering will be used to finance such mandatory redemption. See "Risk Factors — Risks Related to the Pactiv Acquisition."

The following table summarizes the sources and uses of funds in connection with the Pactiv Transaction assuming it had been completed as of June 30, 2010. Actual amounts may vary.

Sources of Funds **(In $ millions)**	
New Incremental Senior Secured Credit Facilities(1)	$ 1,998.0
Senior Secured Notes offered in connection with the Pactiv Transaction (2)	1,500.0
Senior Notes offered in connection with the Pactiv Transaction (3)	1,500.0
Existing Pactiv debt(4)	780.9
Cash-RGHL(5)	50.7
Equity Contribution(6)	660.6
Total sources of funds	**$ 6,490.2**

Uses of Funds **(In $ million)**	
Purchase of Pactiv equity(7)	$ 4,637.0
Repayment of existing Pactiv debt(8)	750.0
Existing Pactiv debt(4)	780.9
Fees and expenses(9)	322.3
Total uses of funds	**$ 6,490.2**

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(1) Reflects the $2,020.0 million of proceeds from the incremental term loans under the New Incremental Senior Secured Credit Facilities, net of $22.0 million of original issue discount.

(2) Reflects the $1,500.0 million aggregate principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction.

(3) Reflects the $1,500.0 million aggregate principal amount of Senior Notes offered in connection with the Pactiv Transaction.

(4) Reflects the existing Pactiv indebtedness that will become part of the RGHL Group capital structure upon consummation of the Pactiv Acquisition as a function of Pactiv and its subsidiaries becoming indirect wholly owned subsidiaries of the RGHL Group. This Pactiv indebtedness will not be repaid as part of the Pactiv Acquisition.

(5) Reflects cash and cash equivalents of RGHL and its direct and indirect subsidiaries to be used in connection with the Pactiv Acquisition.

(6) Reflects the assumed Equity Contribution of $660.6 million to be made by RGHL's shareholder, in connection with the Pactiv Transaction based $1,500 million aggregate principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction, $1,500 million aggregate principal amount of Senior Notes offered in connection with the Pactiv Transaction and $2,020 million aggregate principal amount of New Incremental Senior Secured Credit Facilities. The Equity Contribution may

increase or decrease as a result of the cash on hand as of the date of closing of the Pactiv Transaction. To the extent Pactiv and the RGHL Group have more cash on hand as of the date of closing of the Pactiv Acquisition than they had as of June 30, 2010, the Equity Contribution may decrease and such decrease may be material. In addition, to the extent we repurchase less than all of the Pactiv 2012 Notes and the Pactiv 2018 Notes outstanding in connection with the Pactiv Tender Offers and the Pactiv Change of Control Offers, if any, the Equity Contribution may decrease and such decrease may be material. Any reduction in the Equity Contribution will be limited by our ability to comply with the covenants in the agreements governing our indebtedness, including the 5.5x net total leverage ratio under the Senior Secured Credit Facilities.

(7) Reflects the purchase price for the Pactiv Acquisition of $4,637.0 million or $33.25 per share. The actual purchase price may vary as result of the number of shares outstanding which will be determined at the effective time of the Pactiv Acquisition.

(8) Reflects the repayment of certain existing indebtedness of Pactiv in connection with the Pactiv Transaction. Assumes that all of the Pactiv 2012 Notes and the Pactiv 2018 Notes are repurchased pursuant to the Pactiv Tender Offers and Pactiv Change of Control Offers, if any. To the extent the Pactiv 2012 Notes and the Pactiv 2018 Notes remain outstanding, we do not expect to repurchase them as part of the Pactiv Transaction.

(9) Reflects the estimated fees and expenses associated with the Pactiv Transaction.

CAPITALIZATION

The following table sets forth cash and cash equivalents and capitalization of:

- the RGHL Group as of June 30, 2010, on an actual basis; and
- the RGHL Group as adjusted to give effect to the Pactiv Transaction and the Reynolds Foodservice Payment as if they had occurred on June 30, 2010.

After giving effect to the Pactiv Transaction and the Reynolds Foodservice Payment, actual amounts may vary from the estimated amounts as adjusted depending on several factors, including differences from our estimate of the cost of repaying Pactiv's existing indebtedness, differences from our estimate of fees and expenses, fluctuations in cash on hand between June 30, 2010 and the actual closing date of the Pactiv Transaction and fluctuations in the applicable exchange rates. Any changes in these amounts may affect the amount of the final cash Equity Contribution.

This table should be read in conjunction with "Sources and Uses of Funds in Connection with the Pactiv Acquisition," "Unaudited Pro Forma Combined Financial Information," "RGHL Group Operating and Financial Review and Prospects," "Risk Factors," "The Transactions" and the combined and consolidated financial statements and notes thereto included elsewhere in this information statement.

	As of June 30, 2010	
	Actual	As Adjusted
	(In $ millions)	
Cash and cash equivalents(1)	$ 601.7	$ 300.0(8)
New Incremental Senior Secured Credit Facilities(2)	—	2,020.0
Existing Senior Secured Credit Facilities	2,130.2	2,130.2
Senior Secured Notes offered in connection with the Pactiv Transaction (3)	—	1,500.0
Senior Notes offered in connection with the Pactiv Transaction (4)	—	1,500.0
7.750% Senior Secured Notes due 2016 ($)	1,125.0	1,125.0
7.750% Senior Secured Notes due 2016 (€)	549.9	549.9
8.5% Senior Notes due 2018	1,000.0	1,000.0
8% Senior Notes due 2016	586.6	586.6
Existing Pactiv Indebtedness(5)		
Pactiv 0.400% Notes due 2010	—	5.0
Asset Securitization Facility	—	—
Revolving Credit Facility	—	—
Pactiv 5.875% Notes due 2012	—	—
Pactiv 6.400% Notes due 2018	—	—
Pactiv 8.125% Debentures due 2017	—	299.7
Pactiv 7.95% Debentures due 2025	—	276.2
Pactiv 8.375% Debentures due 2027	—	200.0
9.5% Senior Subordinated Notes due 2017	513.2	513.2
Other debt(6)	9.6	46.4
Related party borrowings	0.7	0.7
Total debt	$ 5,915.2	$ 11,752.9
Share capital(7)	$ 1,565.7	$ 2,033.6
Total capitalization	$ 7,480.9	$ 13,786.5

(1) Reflects the cash used for the Reynolds Foodservice Payment of $297.0 million, the anticipated use of a further $50.7 million of RGHL cash on hand, and $43.0 million of net cash acquired from Pactiv as reported in their June 30, 2010 balance sheet.

(2) Reflects the aggregate of $2,020.0 million of proceeds from the term loans under the New Incremental Senior Secured Credit Facilities.

(3) Reflects the $1,500.0 million aggregate principal amount of the Senior Secured Notes offered in connection with the Pactiv Transaction.

(4) Reflects the $1,500.0 million aggregate principal amount of the Senior Notes offered in connection with the Pactiv Transaction.

(5) Reflects the $1,525.0 million of Pactiv indebtedness (including $6 million of unamortized original issue discount) as of June 30, 2010, less $750.0 million of Pactiv indebtedness repaid in connection with the Pactiv Transaction. Assumes that all of the Pactiv 2012 Notes and Pactiv 2018 Notes are repurchased in connection with the Pactiv Acquisition. To the extent the Pactiv 2012 Notes and the Pactiv 2018 Notes remain outstanding, we do not expect to repurchase them as part of the Pactiv Transaction.

(6) Reflects bank overdrafts, local working capital facilities, finance leases and other debt.

(7) Reflects the assumed Equity Contribution of $660.6 million to be made by RGHL's shareholder, in connection with the Pactiv Transaction based $1,500 million aggregate principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction, $1,500 million aggregate principal amount of Senior Notes offered in connection with the Pactiv Transaction and $2,020 million aggregate principal amount of New Incremental Senior Secured Credit Facilities. The Equity Contribution may increase or decrease as a result of the cash on hand as of the date of closing of the Pactiv Transaction. To the extent Pactiv and the RGHL Group have more cash on hand as of the date of closing of the Pactiv Acquisition than they had as of June 30, 2010, the Equity Contribution may decrease and such decrease may be material. In addition, to the extent we repurchase less than all of the Pactiv 2012 Notes and the Pactiv 2018 Notes outstanding in connection with the Pactiv Tender Offers and the Pactiv Change of Control Offers, if any, the Equity Contribution may decrease and such decrease may be material. Any reduction in the Equity Contribution will be limited by our ability to comply with the covenants in the agreements governing our indebtedness, including the 5.5x net total leverage ratio under the Senior Secured Credit Facilities.

(8) Reflects the estimated available cash after giving effect to the cash used for the Pactiv Transaction and the Reynolds Foodservice Payment.

RISK FACTORS

You should carefully consider the following risk factors, in addition to the other information presented in this information statement, including our financial statements and related notes, in evaluating our business. Any of the following risks, as well as other risks and uncertainties, could harm our business and financial results. The risks below are not the only ones facing Reynolds. Additional risks not currently known to us or that we currently deem immaterial also may materially and adversely impair Reynolds' business, financial condition or results of operations.

Risks Related to the Pactiv Acquisition

The Pactiv Acquisition may not be completed within the expected timeframe, or at all.

Completion of the Pactiv Acquisition is subject to the satisfaction (or waiver) of a number of conditions, including approval by Pactiv's stockholders, as well as foreign regulatory clearances. Any relevant foreign regulatory agency may refuse its approval or seek to make its approval subject to compliance with unanticipated or onerous conditions. The completion of the Pactiv Acquisition is also subject to a number of other conditions beyond the control of the RGHL Group that may prevent, delay or otherwise negatively affect its completion. The RGHL Group cannot predict when these other conditions will be satisfied, if at all. Failure to complete the Pactiv Acquisition would, and any delay in completing the Pactiv Acquisition could, prevent the RGHL Group from realizing the benefits that it expects from the Pactiv Acquisition.

In addition, the Pactiv Acquisition could subject us to additional risks, including:

- the RGHL Group may complete the Pactiv Acquisition even if the Pactiv business has been adversely impacted or deteriorated significantly, and there are not any purchase price adjustments in such circumstances;
- management having spent a significant amount of their time and efforts directed toward the Pactiv Acquisition and the related transactions, which time and efforts otherwise would have been spent on the RGHL Group's business and other opportunities that could have been beneficial to the RGHL Group;
- costs relating to the Pactiv Acquisition and related transactions, such as financing commitment fees, legal and accounting fees;
- uncertainties relating to the Pactiv Acquisition and related transactions may adversely affect relationships with the RGHL Group's employees, vendors and customers; and
- difficulty for the RGHL Group to meet its external reporting obligations due to different accounting principles.

The RGHL Group may be unable to achieve some or all of the benefits that it expects to achieve from the Pactiv Acquisition, including because of possible disruptions caused by the Pactiv Acquisition.

The RGHL Group may not be able to achieve the cost savings or purchasing benefits it anticipates in connection with the Pactiv Acquisition. 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 the RGHL Group's operations. The process of integrating Pactiv with the RGHL Group may require significant resources and management attention. The RGHL Combined Group's future results of operations will partially depend upon its ability to operate Pactiv efficiently and achieve the cost savings and purchasing benefits the RGHL Group currently expects.

In order to successfully combine and operate the RGHL Group and Pactiv, our management will need to continue to focus on managing its current business while also working to realize the anticipated synergies and cost savings on a timely basis. Our operations could be negatively affected if the RGHL Group is unable to successfully manage the integration of Pactiv. Our ability to realize anticipated cost savings and synergies may be affected by a number of factors, including, but not limited to:

- ability to reduce head count and expenses by eliminating duplicative back office overhead and functions and rationalizing manufacturing capacity; and
- ability to leverage Pactiv's low-cost, efficient distribution system, and optimize procurement savings with respect to certain raw materials.

Moreover, these potential cost savings and synergies are only estimates and may not actually be achieved in the time frame anticipated or at all.

In addition, there may be additional costs or liabilities associated with the Pactiv Acquisition that are not currently anticipated, including unexpected loss of key employees or customers and hiring additional management and other critical personnel. Any of these risks could adversely affect our business, financial condition and results of operations.

The RGHL Group will incur substantial acquisition-related costs in connection with the Pactiv Acquisition.

The RGHL Group will incur a number of non-recurring costs associated with completing the Pactiv Acquisition. In addition, the RGHL Group expects to incur approximately $125 million of one-time costs to achieve the expected cost savings and synergies from the Pactiv Acquisition. Because these costs are not recurring, they are not reflected in the unaudited pro forma financial information included elsewhere in this information statement. These costs will be substantial and could have an adverse effect on our results of operations. Also, because we are (a) issuing the notes in escrow and (b) may incur the incremental loans under the New Incremental Senior Secured Credit Facilities in escrow, we will be required to pay interest on the new notes, and may be required to pay interest on such incremental term loans, this new indebtedness prior to the consummation of the Pactiv Acquisition. In addition, for each month that the proceeds of the Senior Secured Notes remain in escrow, interest of $8.9 million will be incurred by the Escrow Issuers directly and, for each month that the proceeds of the Senior Notes remain in escrow, interest of $11.3 million will be incurred by the Escrow Issuers directly.

If the banks that have provided commitments for the funds to complete the Pactiv Acquisition are not required or refuse to fund, the RGHL Group will have to seek other financing to complete the Pactiv Acquisition, which financing may not be available.

The RGHL Group has obtained committed financing for purposes of, among other things, financing the Pactiv Acquisition. The proceeds of that financing, together with the proceeds of the notes and the Equity Contribution, will be used to finance the Pactiv Acquisition. The RGHL Group's ability to access this financing is subject to the satisfaction of certain conditions. Under the agreement and plan of merger, the RGHL Group's obligation to consummate the Pactiv Acquisition, however, is not conditioned upon receipt or availability of financing. Although the RGHL Group expects that it will be able to access this financing, in the event it is unable to do so, it will be forced to seek substitute financing to raise the necessary funds. Such substitute financing may be unavailable.

Our 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 Pactiv for the periods presented and thus these results may not be indicative of our future operating performance.

Because the RGHL Group will acquire Pactiv only upon completion the Pactiv Transaction, it has no available historical financial information that consolidates the financial results for the RGHL Group and Pactiv. The historical financial information included in this information statement consists of the separate financial statements of the RGHL Group and Pactiv for periods prior to the Pactiv Transaction. In addition, Pactiv has historically prepared its financial statements in accordance with U.S. GAAP, which differs in certain respects from IFRS, the accounting principles used by the RGHL Group. The pro forma financial information presented in this information statement is based in part on certain assumptions regarding the Pactiv Transaction that the RGHL Group believes are reasonable. These are preliminary assumptions, however, and will be updated at the time of the consummation of the Pactiv Acquisition. The unaudited pro forma condensed financial information has been prepared using the purchase method of accounting, pursuant to which 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. The preliminary allocation of the purchase price as reflected in the unaudited pro forma condensed financial information is based upon management's preliminary estimates of the values of assets acquired and liabilities assumed. For more information, see "Unaudited Pro Forma Combined Financial Information." These estimates and assumptions may prove to be inaccurate over time. Accordingly, the historical and pro forma financial information included in this information statement may not reflect what the RGHL Group's results of operations and financial condition would have been had RGHL Group been a consolidated entity with Pactiv during the periods presented, or what our results of operations and financial condition will be in the future.

Although EBITDA (along with Historical Adjusted EBITDA and Pro Forma Adjusted EBITDA, as the case may be) is derived from the financial statements of the RGHL Group and Pactiv, the calculation of Adjusted EBITDA and Pro Forma 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, the determination of legacy corporate expenses and foreign currency conversions contain estimates and assumptions. Although we believe these estimates and assumptions are reasonable and correct,

investors should not place undue reliance upon Adjusted EBITDA and Pro Forma Adjusted EBITDA as an indicator of current and future performance given how they are calculated and the possibility that the underlying estimates and assumptions may ultimately not reflect actual results.

Risks Related to Our Business

The RGHL Group's lack of an operating history as a single company combining all of RGHL Group's segments 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 RGHL Group's segments and the challenge of integrating previously independent businesses make 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 addition, although the financial statements of the RGHL Group for the periods presented in this information statement reflect the operations of SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice, we did not directly operate these businesses during all of the periods presented even though they are presented as combined in the RGHL Group financial statements. The RGHL Group's SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments have been under common ownership and control through entities ultimately 100% owned by Graeme Hart, our strategic owner, for over two years. These entities, however, 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 consummation of the RGHL Transaction on November 5, 2009, the Evergreen Transaction on May 4, 2010, and the Reynolds Foodservice Acquisition on September 1, 2010.

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

Raw material costs historically have represented a significant portion of our cost of sales, so significant changes in raw material prices may impact our results of operations. The primary raw materials for our aseptic and fresh carton packaging, foodservice, closures and consumer products are plastic resin (polypropylene ("PP") and polyethylene ("PE")), cartonboard, aluminum and inks, the primary raw materials for the construction of filling and capping machines is stainless steel and the primary raw material for our liquid packaging board and paper production are wood fiber, chemicals and PE. Aluminum, plastic resin, wood fiber and stainless steel are all commodities that are subject to cyclical price fluctuations. For example, in recent years, the price of PE resin, which has historically been correlated with global oil prices, increased significantly. PE resin prices reached a record high price in September 2008, declined between November 2008 and February 2009 then increased until May 2010, when demand for PE resin began to weaken. Consistent with the trend in commodity markets, aluminum prices increased significantly in 2007 and 2008, declined between late-2008 and mid-2009, but increased through the end of 2009 and have fluctuated during the first half of 2010.

In addition to our dependence on primary raw materials, we are also dependent on different sources of energy for our liquid packaging board and paper production, such as coal, fuel oil, electricity and natural gas. 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 our raw materials as well as 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 impacted by changes in global oil prices.

Raw materials, energy and freight costs comprise a significant portion of our costs. Accordingly, the cyclical nature of such commodity pricing, energy and freight costs presents a potential risk to our margins because we primarily purchase a significant portion of our raw material requirements through contracts tied to market prices or in the spot market. SIG's and many of Evergreen's and Closures' contracts do not provide for price adjustment mechanisms that allow us to pass-through changes in raw material prices to our customers. Although most of Reynolds Consumer's store branded products are sold under agreements with resin price adjustment mechanisms, its Reynolds branded products, which represent the majority of its total aluminum foil products, do not provide for any such mechanisms for aluminum. Pactiv Foodservice sells its products under contracts, many of which contain resin cost pass-through mechanisms. Reynolds Foodservice generally sells its products either by purchase order or pursuant to formal contacts, many of them containing raw material cost pass-through mechanisms. 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.

As a result, we often are not able to pass on price increases to our customers on a timely basis (if at all) and so do not always recover the lost margin from the price increases. In addition, we generally do not enter into hedging agreements for purchases of plastic resin, although hedging mechanisms are typically used in connection with our purchase of aluminum. Evergreen also uses multi-year agreements that pass-through increases in costs due to index movements. Due to differences in timing between our sales to customers and purchase of raw materials from suppliers, 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 material prices. For example, from 2004 and until the second half of 2008, our gross margins have been adversely impacted by increases in raw material costs, particularly those of plastic resin and aluminum from 2007 until the second half of 2008. Conversely, in 2009 our gross margins were positively impacted by decreases in raw material costs for plastic resin and aluminum. Due to increasing resin prices in the first half of 2010, our margins were again negatively impacted. 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.

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. Depending on the manufacturing location, Evergreen's wood fiber requirements vary between wood chips or pulpwood logs. Evergreen has one agreement with IP for the supply of wood chips. The agreement's current term expires on May 14, 2014. The agreement requires minimum purchases and deliveries of wood fiber. This wood fiber currently accounts for approximately 19% of our total requirements. The prices that Evergreen pays IP for wood fiber at any particular time may be greater or less than "spot" market prices. Evergreen also has agreements with numerous other suppliers to purchase wood fiber at market prices. If any of these agreements were to be terminated for any reason, or not renewed upon expiration, or if market conditions were to substantially change, we may not be able to find alternative, comparable suppliers or suppliers capable of providing our wood fiber needs on terms or in amounts satisfactory to us. As a result, our business, financial condition and operating results could suffer.

In addition, the cost and availability of wood fiber have at times fluctuated greatly because of weather, economic or general industry conditions. From time to time, timber harvesting may be limited by natural events, such as fire, insect infestation, disease, ice storms, excessive rainfall and windstorms, or by harvesting restrictions. Production levels within the forest products industry are also affected by such factors as currency fluctuations, duties and finished lumber prices. For example, from 2007 to the date of this information statement, the timber harvesting business has been negatively impacted by the downturn in the housing market in the United States, leaving a shortage of supply in the wood fiber market. All of these factors can increase the price we must 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 seriously harmed if we are unable to pass any raw material price increases through 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, including cartonboard, aluminum foil for our aseptic carton packaging business and plastic resin, wood fiber and chemicals 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, we rely on one supplier, Stora Enso, for approximately 90% of the cartonboard requirement for our aseptic carton packaging business. If the supply of cartonboard or the manufacturing agreement with Stora Enso is terminated or interrupted and we are unable to obtain a replacement supplier or manufacturer within a reasonable amount of time, we may experience a significant interruption to our production of aseptic carton packaging sleeves, which may adversely affect our business and results of operations.

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

Demand for aseptic and fresh carton packaging and closure products in the principal end-use markets that we serve is primarily driven by consumer consumption of the products sold in the packages we produce. General economic conditions affect consumption in SIG's, Evergreen's and Closures' primary end-use markets, including beverage products, such as milk, other dairy products, juices, bottled water and carbonated and non-carbonated soft drinks markets, as well as the liquid food market. Our consumer business, including Reynolds Consumer and Hefty 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. Our foodservice business, including Reynolds Foodservice and Pactiv Foodservice, depends on the market conditions in the foodservice industry and consumer demand for their products. Downturns or periods of economic weakness or increased prices in these consumer markets have resulted in the past, and could result in the future, in decreased demand for our products. In particular, our business has been in the past, and could be in the future, adversely affected by any economic downturn that results in difficulties for any of our major customers, including retailers. 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, 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.

Competition in the aseptic carton packaging business is effectively limited to a small number of major producers. In particular, Tetra Pak has a significantly higher market share than we do globally and in most of the geographic markets in which we compete and has substantially greater financial and other resources than we do. The fresh carton market is consolidated with Evergreen's key global competitors being Tetra Pak and Elopak. The global beverage caps and closures market is highly fragmented, with Closures being one of a relatively small number of key global participants. Our key global competitors in the beverage caps and closures market are Bericap, Global Closure Systems, Rexam and Tetra Pak, with most of our remaining competitors being either local or regional companies supplying primarily only one region of the world. The liquid packaging board market is consolidated, with Evergreen competing primarily with Stora Enso, Weyerhaeuser and Clearwater. In particular, Stora Enso is the largest supplier of liquid packaging board and the second largest supplier of fresh liquid packaging board. Evergreen is a relatively small producer of coated groundwood and uncoated freesheet within the concentrated North American markets. Evergreen's competitors in coated groundwood include NewPage, AbitibiBowater, Verso and Kruger and its competitors in uncoated freesheet include IP, Domtar, Georgia Pacific and Boise Cascade. The foodservice market is highly fragmented, with our foodservice business (including Reynolds Foodservice and Pactiv Foodservice) being one of a few participants with a product range that spans most of the foodservice product categories. Our key competitors in the foodservice market are Dart, Solo, Gen-Pak, Anchor Packaging, Handi-Foil and International Paper Foodservice.

We believe that the aseptic and fresh carton packaging, paper and the 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 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 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 aseptic and fresh carton packaging and beverage caps and closures 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 business also faces competition from packaging made from polyethylene terephthalate ("PET") and other substrates. The prices that we can charge for our products and systems are therefore constrained by the availability and cost of substitutes. For example, in the German market, PET substitution in the juice segment has impacted adversely our results of operations. Certain 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. In addition, several of our competitors in these markets have significantly greater financial and other resources with a lower product cost basis than we have and thus can better withstand adverse economic or market conditions. Moreover, changes within the paper industry, including the consolidation of producers of products that compete with us and consolidation within the distribution channels for our products, have and may continue to occur and may adversely affect our business and financial performance.

Our consumer products business, including Reynolds Consumer and Hefty 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 such as Clorox and SC Johnson, as well as regional and local companies. Our principal customers are groceries, 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.

Our foodservice business, including Reynolds Foodservice and 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.

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

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

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

The market for paper 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.

We manufacture a range of products which are used by consumers, such as our aseptic and fresh cartons and caps and closures that are used for certain carbonated drinks, non-carbonated soft drinks, dairy and bottled water, our aluminum foil, our store branded wraps and bags and our foodservice 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 our consumer products business, including Reynolds Consumer and Hefty Consumer Products, does not continue to develop and maintain consumer-meaningful brands, our results of operations may suffer.

The ability of our consumer products business, including Reynolds Consumer and Hefty Consumer Products, to compete successfully increasingly depends on our ability to develop and maintain consumer-meaningful brands in order to satisfy consumer demand. The development and maintenance of such brands requires significant investment in product innovation, brand-building, advertising and marketing initiatives. While Reynolds Consumer and Hefty Consumer Products may increase their expenditures for advertising and other brand-building and marketing initiatives, the increased investment may not deliver the desired results. Reynolds Consumer and Hefty Consumer Products focus on developing innovative products to address consumers' unmet needs as well as introducing store branded products that emulate other popular branded consumer products. There are, nevertheless, numerous uncertainties inherent in successfully developing and commercializing new products, and new product launches may not deliver the expected growth in sales or operating income.

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

SIG, Evergreen and Closures have multi-year supply agreements with many of their customers, many of whom are multinational companies that purchase large quantities of aseptic and fresh carton packaging materials and caps and closures, while Reynolds Consumer generally sells its branded products pursuant to informal trading policies and its store branded products under one or two year contracts. Hefty Consumer Products generally sells its products pursuant to informal trading policies. Reynolds Foodservice and Pactiv Foodservice sell their products under contracts ranging from a few months to a year. In addition, we do not have written contracts with some of our customers and many of our contracts can be terminated on short notice. The significant leverage possessed by many of these customers and potential customers, in addition to the competitive environment in which we operate, results in significant downward pricing pressure, and generally constrains our ability to pass on price increases. SIG, Evergreen and Closures typically offer their major customers a variety of incentives to purchase their filling and capping machines or lease their filling machines. If our major customers reduce purchasing volumes or stop purchasing our products, our business and results of operations would likely be adversely affected. For example, in 2008, one of Closures' major customers significantly reduced purchasing beverage caps and closures from us, which adversely affected Closures' business and results of operations. It is possible that we will lose additional 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.

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 (the "EPA") has proposed regulating 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, such as regulations under the Clean Air Act governing emissions from industrial boilers, that when finalized could also result in material additional costs to us.

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 more detailed description of these cost savings measures and other adjustments expected, see "RGHL Group 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 and unexpected costs associated with operating our business. For the six months ended June 30, 2010 and the year ended December 31, 2009, we incurred costs of $6.8 million and $37.5 million, respectively, at SIG, $2.0 million and $16.1 million, respectively, at Evergreen, $4.4 million and $4.8 million, respectively, at Reynolds Consumer, $0.6 million and $3.0 million, respectively, at Closures, and nil and $9.6 million, respectively, at Reynolds Foodservice to implement our cost savings programs. For the six months ended June 30, 2010, and the year ended December 31, 2009, Pactiv incurred costs of $1.4 million and $2.5 million, respectively, to implement its cost savings programs. We anticipate incurring additional costs of approximately $125 million to achieve our anticipated cost savings in connection with the Pactiv Acquisition.

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 which may not be fully insurable. 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 are 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 outcome of these proceedings and their impact on our business, including remedies or damage awards. The outcome of these legal proceedings and other contingencies could require us to take or refrain from taking certain actions, which action or inaction 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 one of our key manufacturing facilities could have an adverse effect on our financial condition or results of operation.

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, whether short or long-term, may have a material adverse effect on our financial condition or results of operations. After the recent consolidation of Reynolds Consumer's Richmond and Louisville manufacturing facilities, 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 Malvern facility. Loss or disruption of either of these two facilities would significantly interrupt our production process and adversely affect our business and results of operation. For example, we experienced a flood at one of our locations in 2009, which required us to suspend production at such facility for a short period of time. In 2010, we were affected by an earthquake in Chile, 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 the packaging, caps or closures and consumer 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 packaging, caps or closures and consumer products we produce or the products contained or sealed in 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.

If there is significant consolidation among our customers, demand for our products may decrease or we may become less profitable.

Consolidation among our customers in the food and beverage industry or in the retail or foodservice industries could adversely affect our profitability. Over the last ten years, we have observed 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. The loss of significant customers could have a material adverse effect on our business, financial condition and results of operations.

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

We have control measures and systems in place to ensure the maximum safety and quality of our products is maintained. The consequences of not being able to do so, due to accidental or malicious raw material contamination, or due to supply chain contamination caused by human error or faulty equipment, could be severe. Such consequences may include adverse effects on consumer health, reputation, loss of customers and market share, financial costs or loss of revenue. In addition, if any of our competitors or customers supply faulty or contaminated products to the market, or if manufacturers of the end-products that utilize our beverage packaging, caps or closures produce faulty or contaminated products, our industry, or our end-products' industries, could be negatively impacted, which could have adverse effects on our business. For example, in China during the latter part of 2008, melamine contamination by milk producers impacted a significant number of milk products; as a result, consumer confidence within the Chinese market significantly declined resulting in a downturn in milk sales, which had a negative impact on our sales of beverage packaging products in China.

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 and envelopes. 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 envelopes and, as a result, for our envelope papers by envelope converters.

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 dollars, we operate in different geographical areas and transact in a range of currencies in addition to dollars. Our other significant transacting currencies are 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, 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 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, 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 know-how 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 U.S. and various other countries in which we operate, we rely on unpatented proprietary know-how and trade secrets and employ various methods, including confidentiality agreements with employees and consultants, to protect our know-how 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 know-how and trade secrets or develop better production methods than ours. 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 deter 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. For example, we believe that the intellectual property of Tetra Pak, our main competitor in the aseptic carton packaging business, has been infringed by local manufacturers in China, who have reproduced and duplicated its carton rolls. A similar infringement to 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 proportion of our employees are subject to collective bargaining agreements covering locations in Austria, Canada, Germany, Japan, South Korea, Switzerland, Thailand and the U.S. Many of our employees in 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 hold investments in equity and debt securities in our qualified defined benefit pension plans. Deterioration in the value of plan assets, resulting from the 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.

In addition, at the time of the Pactiv spin-off from Tenneco Inc. in 1999, Pactiv became the sponsor of Tenneco Inc. (now Pactiv) pension plans. These plans cover most of Pactiv's employees as well as individuals/beneficiaries from many companies previously owned by Tenneco, but not owned by Pactiv. As a result, while persons who are not current Pactiv employees do not accrue benefits under the plans, the total number of individuals/beneficiaries covered by these plans is much larger than would have been the case if only Pactiv personnel were participants. For this reason, the impact of the pension plans on Pactiv's net income, shareholders' equity and cash from operations is greater than is typically found at similarly sized companies. Changes in the following factors can have a disproportionate effect on Pactiv's 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 U.S. and foreign countries and (v) financial market performance. As of December 31, 2009, Pactiv's U.S. pension plan was underfunded by approximately $558 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.

We may be unable to achieve some or all of the benefits that we expected to achieve from the RGHL Acquisition, the Evergreen Acquisition or the Reynolds Foodservice Acquisition.

We may not be able to achieve the cost savings or purchasing benefits we anticipated in connection with the RGHL Acquisition, the Evergreen Acquisition or the Reynolds Foodservice Acquisition. 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 our operations. There may be additional costs or liabilities associated with the RGHL Acquisition, the Evergreen Acquisition and the Reynolds Foodservice Acquisition that we did not anticipate at the time each of the RGHL Acquisition, the Evergreen Acquisition and the Reynolds Foodservice Acquisition were consummated, including an unexpected loss of key employees or customers and hiring additional management and other critical personnel. The RGHL Acquisition, the Evergreen Acquisition and the Reynolds Foodservice Acquisition 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. Specifically, we have substantial manufacturing facilities in China, Colombia, El Salvador, Israel, Mexico, Nepal, Panama, the Philippines, Saudi Arabia, South Korea, Taiwan, Thailand and Venezuela, which are countries that are exposed to economic and political instability in their respective regions of the world. For example, Evergreen

recently ceased operating in Venezuela due to political turmoil in the region. Other downturns in economic activity, adverse foreign tax consequences or any change in social, political or labor conditions in any of these countries or regions could negatively affect our financial results.

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 our 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 the RGHL Group to a potential maximum liability of $60.0 million as of June 30, 2010, $86.8 million as of December 31, 2009 and $111.4 million as of December 31, 2008. If we have to repurchase filling machines, we may have to utilize our availability under our revolving credit facility.

We may 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. We 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. We periodically evaluate potential acquisition opportunities, including those that could be material in size and scope. 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;
- possible adverse effects on our operating results;
- the inability to retain key employees of the acquired business; and
- failure to achieve the results we anticipate from such acquisitions.

There are liabilities associated with the businesses we have acquired, including Pactiv. 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. We have typically required the sellers in past acquisitions 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 of such integration could have a material adverse effect on our operating results and financial condition.

We have given warranties and indemnities to the purchasers in connection with our recent 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. For example, on April 2, 2008, we sold SIG's Beverages business. 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 conduct 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 other

disposal transactions. If any material claims in respect of these 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 over declining 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 and Pactiv currently sell, and our other segments may sell in the future, a significant portion of their trade receivables through factoring programs to finance our working capital needs. As of June 30, 2010, and as of December 31, 2009, 43% and 46% of SIG's trade receivables, respectively, and 92% and 82% of Pactiv's trade receivables, respectively, 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 those 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.

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 connection with the recent 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 position, 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. If we do not effectively manage our hedging activities, we could incur significant losses or gains. For example, in the past, our hedging strategies have proven to be ineffective and as a result, our Reynolds Consumer segment incurred an unrealized loss of $130.8 million for the year ended December 31, 2008 and an unrealized gain of $101.9 million for the year ended December 31, 2009 on derivative financial instruments related to such hedging strategies. 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.

Prior to the Reynolds Acquisition, the financial results of our Reynolds Consumer, Closures and Reynolds Foodservice segments were included within the consolidated results of Alcoa and were reported under U.S. GAAP, while the financial results of RGHL were reported under IFRS. After the Reynolds Acquisition, the financial results of our Reynolds Consumer, Closures and Reynolds Foodservice segments have been reported under IFRS. Prior to the Initial Evergreen Acquisition, Evergreen's financial results were included in the consolidated results of IP and reported under U.S. GAAP. Since the Initial Evergreen Acquisition, Evergreen's financial results have been reported under IFRS. Following the Evergreen Transaction and Reynolds Foodservice Acquisition, we reported our consolidated results under IFRS and included the financial results of our SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments. In addition, we have never been directly subject to the reporting and other requirements of the Exchange Act. After the Pactiv Acquisition is consummated, Pactiv's financial results will be reported in IFRS.

The changes in reporting required as a result of the RGHL Acquisition, the Evergreen Acquisition, the Reynolds Foodservice Acquisition and the Pactiv Acquisition and the additional reporting obligations under the indentures governing the 2009 Notes and May 2010 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 Existing Notes and the agreement governing the Senior Secured Credit Facilities. Such failure would constitute an event of default under the notes and the Existing Notes and the Senior Secured Credit Facilities and could affect our businesses, financial position and results of operations.

We have had material weaknesses in our internal control over financial reporting within our Evergreen, Reynolds Consumer and Closures segments. If additional 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.

The businesses of Reynolds Consumer, Closures and Reynolds Foodservice were carved-out from Alcoa. Under Alcoa's ownership, certain accounting and internal control functions were performed by Alcoa's corporate and shared services functions which were not acquired under the Reynolds Acquisition. The business of Evergreen was carved-out from IP. Under IP's ownership, certain accounting and internal control functions were performed by IP's corporate and shared service functions which were not acquired under the Initial Evergreen Acquisition.

During the financial statement audits for the Reynolds Consumer and Closures segments for the year ended December 31, 2008, our auditors identified and reported to us in management letters dated October 14, 2009 for the Reynolds Consumer and July 21, 2009 for the Closures segments, four material weaknesses in our internal control for Reynolds Consumer 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 in a management letter dated April 23, 2010, a material weakness in Evergreen's

internal control. In addition, Evergreen's auditors for the year ended December 31, 2009, identified and reported in a management letter dated April 23, 2010, a material weakness in Evergreen's internal control.

The four material weaknesses for Reynolds Consumer 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 Reynolds Consumer's international operations. The two material weaknesses for Closures 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, 2008 and 2009 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.

The American Institute of Certified Public Accountants ("AICPA") defines a material weakness as a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. Our Closures and Reynolds Consumer operations began a process of evaluating and improving our internal control over financial reporting including establishment of account reconciliation and management review control processes. In anticipation of future required compliance with the internal control reporting requirements mandated by Section 404(a) of the Sarbanes-Oxley Act of 2002, which will become mandatory after we register with the SEC, we will continue to internally evaluate and improve our internal controls and will begin a formal process of documenting and testing our internal control procedures. On September 15, 2010, the SEC issued a final rule to permanently exempt non-accelerated filers from the internal control audit requirements of the Sarbanes-Oxley Act of 2002. However, as a non-accelerated filer, we will still be required to disclose management's assessment of the effectiveness of internal control over financial reporting. As stand-alone reporting entities, certain adjustments to our Evergreen, Closures and Reynolds Consumer internal control procedures are required. If we fail to achieve and maintain an effective internal control environment, it could have a material adverse effect on our business and our ability to report complete and accurate financial information on a timely basis.

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 and Reynolds Consumer businesses. Evergreen has developed a remediation plan and processes to address the material weaknesses which it has begun implementing.

Additional measures may be necessary to address the material weaknesses at Evergreen, Reynolds Consumer and Closures and the measures we have taken and expect to take to improve our internal controls may not be sufficient to address the issues identified, to ensure that our internal controls are effective or to ensure that such material weakness or other material weaknesses would not result in a material misstatement of our annual or interim financial statements. We expect to continue to undertake activities to improve our internal controls over financial reporting until we are able to conclude such controls are effective but we cannot assure you that will be successful in the time frame anticipated or at all. This process, together with our efforts to become compliant with Section 404(a) of the Sarbanes-Oxley Act of 2002, will be time-consuming and costly.

If we are unable to correct deficiencies in internal controls within our Evergreen, Closures and Reynolds Consumer operations in a timely manner or discover additional material weaknesses or significant deficiencies, 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 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 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 third-party indebtedness. As of June 30, 2010, the RGHL Group had current interest bearing borrowings of $60.5 million and overdrafts of $2.8 million, and non-current interest bearing borrowings of $5,851.9 million, consisting of (i) outstanding indebtedness of $1,000.0 million in aggregate principal amount under the May 2010 Notes, (ii) outstanding indebtedness of $1,125.0 million and €450.0 million in aggregate principal amount under the 2009 Notes, (iii) $1,828.5 million and €246.9 million of outstanding debt under the Existing Senior Secured Credit Facilities, (iv) related party

borrowings of $0.7 million, (v) $9.6 million under local facilities, including overdraft and finance leases and (vi) outstanding indebtedness of €480.0 million of 2007 Senior Notes and €420.0 million of 2007 Senior Subordinated Notes. In addition, after consummation of the Pactiv Transaction we will have additional interest bearing borrowings consisting of the (i) $3,000 million in aggregate principal amount of notes offered in connection with the Pactiv Transaction and (ii) up to $2,020 million of the indebtedness incurred under the New Incremental Senior Secured Credit Facilities. In addition, as of June 30, 2010, Pactiv had $1,525.0 million of indebtedness (including $6 million of unamortized original issue discount), consisting of (i) outstanding indebtedness of $250.0 million in aggregate principal amount under its 5.875% Notes due 2012, (ii) outstanding indebtedness of $300.0 million in aggregate principal amount under its 8.125% Notes due 2017, (iii) outstanding indebtedness of $250.0 million in aggregate principal amount under its 6.400% Notes due 2018, (iv) outstanding indebtedness of $276.0 million in aggregate principal amount under its 7.95% Notes due 2025, (v) outstanding indebtedness of $200.0 million in aggregate principal amount under its 8.375% Notes due 2027, (vi) outstanding indebtedness of $120.0 million under its revolving credit facility, and (vii) outstanding indebtedness of $130.0 million under its asset securitization program. In connection with the Pactiv Tender Offers and Pactiv Change of Control Offers, if any, the RGHL Group will provide the funds for Pactiv to make any consent payments and to purchase any tendered Pactiv 2012 Notes and Pactiv 2018 Notes in connection therewith. Our substantial indebtedness could have significant consequences for you. For example, it could:

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

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

Despite our substantial indebtedness we may be able to incur or issue substantial additional debt in the future. Although restrictions on the incurrence of additional debt are contained in the indentures governing the notes and the Existing 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. Our ability to incur indebtedness depends, in part, upon our satisfaction of certain financial covenants in the indentures governing the notes and the Existing Notes and in the terms of our Senior Secured Credit Facilities. 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 indentures governing the notes and the Existing 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 2007 Notes, the 2009 Notes and the May 2010 Notes, prior to discharge of the Senior Secured Credit Facilities or such future indebtedness. The Senior Secured Credit Facilities require us to maintain leverage ratios and interest coverage ratios. Our future indebtedness may contain similar or other financial ratios set at levels determined by us and our future lenders. The ability to meet those financial ratios could be affected by a deterioration in our operating results, as well as by events beyond our control, including increases in raw material prices and unfavorable economic conditions, and we cannot assure you that those ratios will be met. It may be necessary to obtain waivers or amendments with respect to covenants under the indentures governing the notes and the Existing 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 and the Existing 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 and the Existing 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 June 30, 2010, after giving pro forma effect to the Pactiv Transaction and assuming the drawing of $2,020.0 million under the New Incremental Senior Secured Credit Facilities on or prior to the Escrow Release Date, we would have had $11,752.9 million of outstanding indebtedness. After giving pro forma effect to the Pactiv Transaction and assuming the drawing of $2,020 million under the New Incremental Senior Secured Credit Facilities in escrow on or prior to the Escrow Release Date, cash interest obligations on our Senior Secured Credit Facilities, the Existing Notes, the notes offered in connection with the Pactiv Transaction and our other indebtedness would have been $930.8 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. In addition, 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. We also cannot assure you that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of debt, prevailing market conditions and the debt incurrence restrictions imposed by the agreements governing our debt. In the absence of sufficient cash flow and capital resources, we could face substantial liquidity problems and may be required to dispose of material assets or operations to meet our debt service and other obligations. The indentures governing the notes and the Existing Notes, the terms of the Senior Secured Credit Facilities and the agreements governing our other debt restrict, and our future indebtedness is likely to restrict, both our ability to dispose of assets and the use of proceeds from any such disposition. We cannot assure you that we will be able to consummate any asset sales, or if we do, what the timing of the sales will be or whether the proceeds that we realize will be adequate to meet our debt service obligations when due or that we will be contractually permitted to apply such proceeds for that purpose. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to implement any of these alternative measures, would have a material adverse effect on our business, financial condition and results of operations.

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 and expect to incur under the Senior Secured Credit Facilities and, potentially, our future indebtedness, bears interest at variable rates. As of June 30, 2010, after giving pro forma effect to the Pactiv Transaction (net of hedging instruments), we had $4,182.3 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 of such an increase would be more significant than it would be for some other companies because of our substantial debt.

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

If a specified change of control occurs in relation to us, the Issuers and BP II would be required to make an offer to purchase all of the outstanding notes and the Existing 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 BP II may be dependent on RGHL and its subsidiaries for the funds necessary to cure the events of default 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. The Issuers' and BP II's failure to purchase the notes after a change of control in accordance with the terms of the indenture requiring such purchases would result in a default under the Senior Secured Credit Facilities, the indentures governing the notes and the Existing Notes and may result in a default under any future indebtedness.

The occurrence of a change of control may not be under our control and may occur at any time. For example, Packaging Finance Ltd., 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 Ltd. and foreclose on the RGHL shares for reasons outside of our control. Such foreclosure may result in a change of control under the terms of the indenture governing the notes. In the event of a change of control, we cannot assure you that we will have sufficient assets to satisfy all of our obligations under the Senior Secured Credit Facilities, the notes, the Existing Notes, any future indebtedness and any other debt requiring repayment upon such event.

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

We may be unable to raise the funds necessary to refinance the Pactiv 2012 Notes.

The Pactiv 2012 Notes have a maturity date of July 15, 2012 and, consequently to the extent they are not repurchased pursuant to the Pactiv Tender Offers or Pactiv Change of Control Offers, if any, with respect to the Pactiv 2012 Notes, will need to be refinanced

prior to their maturity. If our access to capital markets or our ability to enter new financing arrangements is reduced for any reason, we may not be able to refinance the Pactiv 2012 Notes on satisfactory terms or at all, which would adversely affect our business and results of operations.

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, including in connection with the Pactiv Acquisition.

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 Pactiv or provide ratings on our debt or Pactiv's debt may downgrade their corporate or debt ratings with respect to us or Pactiv in light of the pending Pactiv Acquisition and the financing thereof. In addition, perceptions of us by investors, producers, other businesses and consumers could also be significantly impaired. Further, because Pactiv's debt was previously rated "investment grade", the costs of financing the Pactiv business will increase after the Pactiv Acquisition which are not reflected in the pro forma or historical financial statements for Pactiv.

SELECTED HISTORICAL CONSOLIDATED AND HISTORICAL COMBINED FINANCIAL DATA

RGHL Group

The following tables set forth selected historical consolidated financial data of the RGHL Group Predecessor (prepared on a U.S. GAAP basis) and the selected historical consolidated financial data of the RGHL Group Successor (prepared on an IFRS basis). On January 31, 2007, the Rank Group, through its indirect wholly owned subsidiary Evergreen N.Z., commenced the acquisition of IP's Bev Pack Business. The acquisition occurred in stages from January 31, 2007 to August 1, 2007. Prior to the acquisition of the RGHL Group Predecessor, the RGHL Group had no significant operations. We refer to the IP Bev Pack Business prior to January 31, 2007 as the "RGHL Group Predecessor" and the RGHL Group as the "RGHL Group Successor" for purposes of the presentation of the financial information below.

The selected historical consolidated financial data of the RGHL Group Predecessor as of and for the years ended December 31, 2005 and 2006 have been derived from the RGHL Group Predecessor's audited consolidated financial statements prepared in accordance with U.S. GAAP which are not included in this information statement. The selected historical financial data of the RGHL Group Successor for the period from January 31, 2007 to December 31, 2007 and as of and for the years ended December 31, 2008 and 2009 have been derived from the RGHL Group Successor's audited financial statements. The following discussion should be read in conjunction with the interim unaudited condensed financial statements and segment data.

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

The following data should be read in conjunction with the financial statements and related notes, and other information included elsewhere in this information statement, including the "Unaudited Pro Forma Combined Financial Information," "RGHL Group Operating and Financial Review and Prospects" and "Risk Factors" sections of this information statement.

IFRS Selected Financial Data

The following selected financial data for the years ended December 31, 2007, 2008 and 2009 are derived from the audited IFRS financial statements of the RGHL Group Successor and the selected financial data for the six months ended June 30, 2009 and 2010 and for the LTM Period are derived from the unaudited IFRS financial statements of the RGHL Group Successor.

	RGHL Group Successor					
	Year Ended December 31,			Six Months Ended June 30,		
	2007*††	2008††	2009††	2009†††	2010†††	LTM Period(1)
	(IFRS) (In $ millions)					
Income Statement						
Revenue	$ 2,115.9	$ 6,103.7	$ 6,002.4	$ 2,890.6	$ 3,032.6	$ 6,144.4
Cost of sales	(1,849.0)	(5,400.1)	(4,783.7)	(2,367.9)	(2,507.2)	(4,923.0)
Gross profit	**266.9**	**703.6**	**1,218.7**	**522.7**	**525.4**	**1,221.4**
Other income	155.4	93.6	201.0	116.0	43.9	128.9
Selling, marketing and distribution expenses	(60.0)	(228.5)	(210.7)	(105.4)	(102.5)	(207.8)
General and administration expenses	(178.2)	(334.3)	(366.8)	(170.7)	(176.6)	(372.7)
Other expenses	(40.4)	(246.4)	(95.9)	(43.5)	(52.3)	(104.7)
Share of profits of associates and joint ventures, net of income tax (equity method)	3.6	6.3	11.4	4.8	9.4	16.0
Profit from operating activities	**147.3**	**(5.7)**	**757.7**	**323.9**	**247.3**	**681.1**
Financial income	14.4	164.5	20.9	8.0	11.0	23.9
Financial expenses	(302.8)	(408.8)	(513.2)	(223.9)	(349.8)	(639.1)
Net financial expenses	**(288.4)**	**(244.3)**	**(492.3)**	**(215.9)**	**(338.8)**	**615.2**
Profit (loss) before income tax	**(141.1)**	**(250.0)**	**265.4**	**108.0**	**(91.5)**	**65.9**
Income tax benefit (expense)	30.0	63.1	(148.7)	(62.4)	(35.3)	(121.6)
Profit (loss) for the period	**$ (111.1)**	**$ (186.9)**	**$ 116.7**	**$ 45.6**	**$ (126.8)**	**$ (55.7)**

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

†† Derived from the audited financial statements of the RGHL Group.

††† Derived from the unaudited financial statements of the RGHL Group.

(1) The LTM period is calculated as follows: (i) RGHL Group Successor for the year ended December 31, 2009 less (ii) RGHL Group Successor for the six months ended June 30, 2009 plus (iii) RGHL Group Successor for the six months ended June 30, 2010.

	RGHL Group Successor			
	As of December 31,			As of June 30,
	2007††	2008††	2009††	2010†††
	(IFRS) (In $ millions)			
Balance Sheet Data				
Cash and cash equivalents	$ 339.5	$ 386.6	$ 515.5	$ 601.7
Trade and other receivables	483.6	709.6	683.1	705.2
Inventories	401.3	828.1	755.6	808.8
Property, plant and equipment	1,241.6	1,939.5	1,825.0	1,761.5
Intangible assets	1,910.4	3,361.1	3,279.1	3,070.3
Other assets	636.0	701.3	808.6	788.1
Total assets	**5,012.4**	**7,926.2**	**7,866.9**	**7,735.6**
Trade and other payables — current	360.7	710.2	760.7	842.7
Borrowings — current	912.2	2,361.1	112.3	60.5
Borrowings — non-current	2,986.6	2,544.4	4,841.8	5,654.2
Other liabilities	822.7	1,284.1	1,048.7	951.9
Total liabilities	**$ 5,082.2**	**$ 6,899.8**	**$ 6,763.5**	**$ 7,509.3**
Net assets (liabilities)	**$ (69.8)**	**$ 1,026.4**	**$ 1,103.4**	**$ 226.3**

†† Derived from the audited financial statements of the RGHL Group.

††† Derived from the unaudited financial statements of the RGHL Group.

U.S. GAAP Selected Financial Data

The following selected historical financial data for the years ended December 31, 2005 and 2006 have been derived from the audited U.S. GAAP financial statements of the RGHL Group Predecessor which have not been included in this information statement. The selected historical financial data of the North American operations of IP's Bev Pack Business for the one month period from January 1, 2007 to January 31, 2007 have been derived from the North American operations of IP's Bev Pack Business audited combined financial statements which have not been included in this information statement.

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

- The selected historical financial data of the RGHL Group Predecessor and the North American operations of IP's Bev Pack Business in this information statement have been derived from their audited financial statements prepared in accordance with U.S. GAAP. The RGHL Group Successor's primary financial statements are presented in accordance with IFRS.

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

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

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

	RGHL Group Predecessor Year Ended December 31,		North American Operations of IP's Bev Pack Business Period from January 1 to January 31,
	2005†	2006†	2007††
	(U.S. GAAP) (In $ millions)		
Income Statement			
Net sales	$ 859.5	$ 843.9	$ 62.1
Costs and expenses			
Cost of products sold (exclusive of depreciation and amortization included below)	(635.7)	(630.6)	(43.9)
Selling, general and administrative expenses	(97.1)	(88.0)	(4.0)
Distribution expenses	(37.1)	(39.8)	(3.1)
Depreciation and amortization	(49.8)	(47.7)	(3.0)
Tax other than income	(2.7)	(2.7)	(0.8)
Goodwill impairment and other charges	—	(27.4)	(1.3)
Sale of business — IPI Japan	—	12.1	—
Reversal of reserves no longer required	0.5	4.0	—
Operating income	**37.6**	**23.8**	**6.0**
Interest income	0.8	0.7	—
Interest expense	(1.5)	(1.3)	(0.1)
Other income net	0.4	0.4	0.2
Income before income taxes, minority interest expense and equity earnings	**37.3**	**23.6**	**6.1**
Income tax expense	(11.9)	(20.4)	N/A
Minority interest expense — net of tax	(2.2)	(1.1)	N/A
Equity earnings — net of tax	0.6	0.4	N/A
Net income	**$ 23.8**	**$ 2.5**	**N/A**

† Derived from the financial statements of the RGHL Group Predecessor.

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

	RGHL Group Predecessor As of December 31,	
	2005†	2006†
	(U.S. GAAP) (In $ millions)	
Balance Sheet Data		
Cash and temporary investments	$ 27.4	$ 39.7
Accounts receivable — net	108.4	88.8
Inventories	165.3	164.6
Property, plant and equipment — net	408.4	356.8
Goodwill — net	27.0	—
Total assets	**792.1**	**697.2**
Accounts payable	67.1	53.6
Long-term debt — current	2.2	—
Long-term debt — non-current	17.9	17.8
Total liabilities	**182.8**	**125.2**
Total equity	**$ 609.3**	**$ 572.0**

† Derived from the financial statements of the RGHL Group Predecessor.

SIG

The following tables set forth selected historical consolidated financial data of the SIG Predecessor. RGHL acquired SIG Combibloc, the SIG Predecessor, pursuant to a public tender offer on May 11, 2007 and a subsequent squeeze-out of minority shareholders that was completed on November 7, 2007. We refer to SIG prior to May 11, 2007 as the "SIG Predecessor" for the purpose of presenting the financial information below.

The selected historical financial data of the SIG Predecessor as of and for the year ended December 31, 2005 has been derived from the SIG Predecessor's audited consolidated financial statements which are not included in this information statement. The selected historical consolidated financial data of the SIG Predecessor as of and for the year ended December 31, 2006, and as of May 10, 2007 and for the period from January 1, 2007 to May 10, 2007 have been derived from the SIG Predecessor's audited consolidated financial statements.

The following selected historical financial data and the financial statements have been prepared in accordance with IFRS.

	SIG Predecessor		
	Year Ended December 31,		January 1 to May 10,
	2005†	2006†	2007†
	(IFRS) (In € millions)		
Income Statement			
Revenue	**€ 1,097.0**	**€ 1,210.0**	**€ 427.0**
Cost of sales	(888.0)	(970.0)	(345.0)
Gross profit	209.0	240.0	82.0
Other income	34.0	34.0	11.0
Selling, marketing and distribution expenses	(49.0)	(54.0)	(20.0)
General and administration expenses	(121.0)	(132.0)	(31.0)
Other expenses	(3.0)	2.0	(2.0)
Share of profit of associates and joint ventures, net of income tax (equity method)	(3.0)	—	—
Profit (loss) from operating activities	**67.0**	**90.0**	**40.0**
Financial income	8.0	9.0	3.0
Financial expenses	(13.0)	(13.0)	(5.0)
Net financial expenses	**(5.0)**	**(4.0)**	**(2.0)**
Profit (loss) before income tax	**62.0**	**86.0**	**38.0**
Income tax benefit (expense)	(24.0)	(24.0)	(8.0)
Profit (loss) from continuing operations	**38.0**	**62.0**	**30.0**
Profit (loss) from discontinued operations, net of income tax	9.0	4.0	4.0
Profit (loss) for the period	**€ 47.0**	**€ 66.0**	**€ 34.0**
Attributable to:			
Equity holders of the parent	47.0	66.0	34.0
Minority interests	—	—	—

† Derived from the audited financial statements of the SIG Predecessor.

	SIG Predecessor	
	As of December 31,	
	2005†	2006†
	(IFRS)	
	(In € millions)	
Balance Sheet Data		
Cash and cash equivalents	€ 292.0	€ 221.0
Trade and other receivables	94.0	102.0
Inventories	151.0	149.0
Property, plant and equipment	386.0	389.0
Investment property	41.0	43.0
Intangible assets	94.0	88.0
Total assets	**1,220.0**	**1,141.0**
Trade and other payables	188.0	216.0
Borrowings — current	111.0	103.0
Borrowings — non-current	263.0	162.0
Total liabilities	**787.0**	**690.0**
Net assets	**433.0**	**451.0**
Issued capital	**€ 199.0**	**€ 183.0**

† Derived from the audited financial statements of the SIG Predecessor.

Reynolds Consumer

The following tables set forth selected historical combined financial data of the Reynolds Consumer Predecessor. In 2008, the Reynolds Acquisition was consummated for $2.7 billion in cash. Businesses acquired in the Reynolds Acquisition included the businesses of Alcoa that became, following the RGHL Transaction, our Reynolds Consumer and Closures segments and following the Reynolds Foodservice Acquisition, our Reynolds Foodservice segment. We refer to Reynolds Consumer prior to February 29, 2008, as the "Reynolds Consumer Predecessor."

The Reynolds Acquisition was consummated on February 29, 2008 in 20 countries, including the United States. Due to certain jurisdictional requirements the acquisition of the operations in the remaining six countries was consummated during the period from March 1, 2008 through July 31, 2008.

The selected historical combined financial data of the Reynolds Consumer Predecessor as of and for the years ended December 31, 2006 and 2007 and for the two months ended February 29, 2008 has been derived from the Reynolds Consumer Predecessor's audited combined financial statements. The selected historical combined financial data of the Reynolds Consumer Predecessor as of and for the year ended December 31, 2005 has been derived from the Reynolds Consumer Predecessor's audited consolidated financial statements which are not included in this information statement.

The financial data of the Reynolds Consumer Predecessor include elsewhere in this information statement has been derived from Alcoa's audited consolidated financial statements prepared in accordance with U.S. GAAP. Certain differences exist between IFRS and U.S. GAAP, some of which may be material to the information presented for periods prior to the fiscal year ended December 31, 2008. We have not prepared a reconciliation of the Reynolds Consumer Predecessor combined financial statements and related footnote disclosures between U.S. GAAP and IFRS and have not quantified such differences.

Given the potential for differences between IFRS and U.S. GAAP, caution is required when comparing financial data across periods. Furthermore, certain presentations and classifications in the Reynolds Consumer Predecessor financial statements that were prepared based on U.S. GAAP are inconsistent with the IFRS presentations.

	Reynolds Consumer Predecessor			
	Year Ended December 31,			January 1 to February 29,
	2005†	2006†	2007†	2008†
	(U.S. GAAP) (In $ millions)			
Income Statement				
Revenue	**$ 1,189.2**	**$ 1,373.4**	**$ 1,431.6**	**$ 182.5**
Cost of sales	(1,037.1)	(1,175.5)	(1,195.8)	(168.3)
Gross Profit	**152.1**	**197.9**	**235.8**	**14.2**
Other income	2.9	7.1	2.9	16.4
Selling, marketing and distribution expenses	(64.8)	(84.7)	(92.6)	(14.8)
General and administration expenses	(19.6)	(23.4)	(24.5)	(3.3)
Other expenses	(199.5)	(3.2)	(65.5)	(0.2)
Share of profit from associates and joint ventures, net of income tax (equity method)	—	—	—	—
Profit (loss) from operating activities	**(128.9)**	**93.7**	**56.1**	**12.3**
Financial income	0.1	0.1	—	0.1
Financial expenses	(14.1)	(17.3)	(21.9)	(3.6)
Net financial expenses	**(14.0)**	**(17.2)**	**(21.9)**	**(3.5)**
Profit (loss) before income tax	**(142.9)**	**76.5**	**34.2**	**8.8**
Income tax benefit (expense)	(21.3)	(30.3)	(17.2)	(3.3)
Profit (loss) from continuing operations	**(164.2)**	**46.2**	**17.0**	**5.5**
Profit (loss) from discontinued operations, net of income tax	—	—	—	—
Profit (loss) for the period	**$ (164.2)**	**$ 46.2**	**$ 17.0**	**$ 5.5**
Attributable to:				
Equity holders of the parent	(164.2)	46.2	17.0	5.5
Minority interests	—	—	—	—

† Derived from the audited financial statements of the Reynolds Consumer Predecessor.

	Reynolds Consumer Predecessor		
	As of December 31,		
	2005†	2006†	2007†
	(U.S. GAAP) (In $ millions)		
Balance Sheet Data			
Cash and cash equivalents	$ 7.7	$ 5.4	$ 9.0
Trade and other receivables	105.4	115.8	115.3
Inventories	160.1	173.4	165.5
Property, plant and equipment	201.8	192.7	190.3
Intangibles	698.5	700.0	691.4
Total assets	**1,179.8**	**1,191.6**	**1,177.4**
Trade and other payables	72.9	66.1	89.7
Interest bearing borrowings — current	5.5	6.9	12.0
Interest bearing borrowings — non-current	—	—	—
Total liabilities	**264.0**	**253.6**	**281.9**
Net assets	**$ 915.8**	**$ 938.0**	**$ 895.5**

† Derived from the audited financial statements of the Reynolds Consumer Predecessor.

Closures

The following tables set forth selected historical combined financial data of the Closures Predecessor.

The selected historical combined financial data of the Closures Predecessor as of and for the years ended December 31, 2006 and 2007 and for the two months ended February 29, 2008 has been derived from the Closures Predecessor audited carve-out combined financial statements. The selected historical combined financial data of the Closures Predecessor as of and for the year ended December 31, 2005 has been derived from the Closures Predecessor's audited combined financial statements which are not included in this information statement. We refer to Closures prior to February 29, 2008, as the "Closures Predecessor."

The financial data of the Closures Predecessor has been derived from Alcoa's audited consolidated financial statements prepared in accordance with U.S. GAAP. Certain differences exist between IFRS and U.S. GAAP, some of which may be material to the information presented for periods prior to the year ended December 31, 2008. We have not prepared a reconciliation of the Closures Predecessor financial statements and related footnote disclosures between U.S. GAAP and IFRS and have not quantified such differences.

Given the potential for differences between IFRS and U.S. GAAP, caution is required when comparing financial data across periods. Furthermore, certain presentations and classifications in the Closures Predecessor financial statements that were prepared based on U.S. GAAP are inconsistent with the IFRS presentations.

	Closures Predecessor			
	Year Ended December 31,			January 1 to February 29,
	2005†	2006†	2007†	2008†
	(U.S. GAAP) (In $ millions)			
Income Statement				
Revenue	**$ 913.2**	**$ 978.8**	**$ 1,028.5**	**$ 160.7**
Cost of sales	(762.0)	(834.5)	(874.1)	(143.4)
Gross Profit	**151.2**	**144.3**	**154.4**	**17.3**
Other income	4.7	4.4	1.7	0.7
Selling, marketing and distribution expenses	(25.8)	(28.7)	(29.8)	(5.3)
General and administrative expenses	(33.2)	(35.4)	(33.4)	(5.5)
Other expenses	(6.0)	(5.5)	(4.4)	(0.7)
Share of profit from associates and joint ventures, net of income tax (equity method)	—	—	—	—
Profit (loss) from operating activities	**90.9**	**79.1**	**88.5**	**6.5**
Financial income	2.8	—	—	—
Financial expenses	(5.6)	(3.7)	(3.2)	(0.7)
Net financial expenses	**(2.8)**	**(3.7)**	**(3.2)**	**(0.7)**
Profit (loss) before income tax	**88.1**	**75.4**	**85.3**	**5.8**
Income tax benefit (expense)	(29.0)	(22.8)	(24.9)	(0.7)
Profit (loss) from continuing operations	**59.1**	**52.6**	**60.4**	**5.1**
Profit (loss) from discontinued operations, net of income tax	—	—	—	—
Profit (loss) for the period	**$ 59.1**	**$ 52.6**	**$ 60.4**	**$ 5.1**
Attributable to:				
Equity holders of the parent	58.2	51.5	59.1	5.0
Minority interests	0.9	1.1	1.3	0.1

† Derived from the audited financial statements of the Closures Predecessor.

	Closures Predecessor As of December 31,		
	2005†	2006†	2007†
		(U.S. GAAP) (In $ millions)	
Balance Sheet Data			
Cash and cash equivalents	$ 51.6	$ 51.0	$ 27.9
Trade and other receivables — current	115.3	124.7	120.5
Inventories	110.9	112.3	111.1
Property, plant and equipment	297.9	301.5	313.7
Intangibles	111.5	118.7	119.1
Total assets	**721.6**	**745.7**	**727.0**
Trade and other payables — current	104.6	117.0	114.8
Interest bearing borrowings — current	43.3	104.9	3.5
Interest bearing borrowings — non-current	78.4	26.1	—
Total liabilities	**316.1**	**342.3**	**213.0**
Net assets	**$ 405.5**	**$ 403.4**	**$ 514.0**

† Derived from the audited financial statements of the Closures Predecessor.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical combined financial information of the RGHL Group and Pactiv, as adjusted to illustrate the estimated pro forma effects of the impact of the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Transaction. For further information regarding the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Transaction, see "The Transactions." The unaudited pro forma combined balance sheet gives effect to the Pactiv Transaction and the Reynolds Foodservice Payment as if they had been completed as of June 30, 2010. The unaudited pro forma combined income statements give effect to the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Transaction as if they had been completed as of January 1, 2009.

The unaudited pro forma combined financial information, which is prepared in accordance with IFRS, includes the presentation of an unaudited pro forma combined income statement for the LTM Period. The unaudited pro forma combined income statement for the LTM Period is calculated as follows: (i) the unaudited pro forma combined income statement for the year ended December 31, 2009, less (ii) the unaudited pro forma combined income statement for the six months ended June 30, 2009, plus (iii) the unaudited pro forma combined income statement for the six months ended June 30, 2010.

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

- IFRS financial information for the RGHL Group under the column titled "Historical RGHL Group" has been extracted without adjustment from the RGHL Group's audited financial statements as of and for the year ended December 31, 2009 and RGHL Group's interim unaudited condensed financial statements as of and for the three-and six-month periods ended June 30, 2009 and 2010, each of which are contained elsewhere in this information statement.

- U.S. GAAP financial information for Pactiv under the column titled "Historical Pactiv" has been reclassified to conform with the RGHL Group reporting format from Pactiv's audited consolidated financial statements for the year ended December 31, 2009 and Pactiv's interim unaudited consolidated financial statements as of and for the three-and six-month periods ended June 30, 2009 and 2010, each of which are contained elsewhere in this information statement.

- The columns titled "Adjustments to Historical Pactiv Balances on Preliminary Conversion from U.S. GAAP to IFRS" and "Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS" reflect certain adjustments to convert Pactiv's U.S. GAAP financial information to IFRS and to align Pactiv's U.S. GAAP accounting policies with the RGHL Group's IFRS accounting policies. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

We have converted Pactiv's financial data as of June 30, 2010 and for the periods presented to IFRS by applying IFRS in all material respects to such financial data. We have not attempted to quantify all differences that would have been identified if the complete historical Pactiv financial statements had been prepared in accordance with IFRS. Accordingly, we cannot assure you that the conversion as described is a complete summary of all the differences that would result had a full exercise been undertaken. Had we undertaken such conversion, other accounting and disclosure differences may have come to our attention that are not identified below, some of which may be material. Accordingly, we cannot assure you that the identified differences below represent all principal adjustments to Pactiv's financial statements necessary to present them on an IFRS basis consistent with RGHL's financial statements.

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

The combined historical financial information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the RGHL Group or the pro forma combined group would have reported had the Pactiv Transaction, the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Transaction 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 pro forma combined information

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

With respect to the adjustments related to the Pactiv Acquisition, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Pactiv Transaction had been completed as of January 1, 2009 for the purposes of the unaudited pro forma combined statements of operations, and as of June 30, 2010 for the purposes of the unaudited pro forma combined balance sheet except for Pactiv's assumed debt which is as of August 31, 2010. 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. The allocation of the purchase price as reflected in the unaudited pro forma combined financial information is based upon management's internally developed estimates of the values of assets acquired and liabilities assumed as if the Pactiv Transaction had been completed as of the above dates. This allocation of the purchase price depends upon certain estimates and assumptions, all of which are preliminary and have been made solely for the purpose of developing the unaudited pro forma combined financial information. We have commenced the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed and the related allocation of the purchase price as of the closing of the Pactiv Acquisition. After the consummation of the Pactiv Acquisition, we will complete the appraisals necessary to finalize the required purchase price allocation which will be based upon the fair values as of the actual closing date of the Pactiv Acquisition, at which time the final allocation of the purchase price will be determined. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation, and those differences may be material.

As specified in "The Transactions," the RGHL Transaction was completed on November 5, 2009. The RGHL Transaction involved the repayment of certain then-existing indebtedness and the incurrence of new indebtedness under the Senior Secured Credit Facilities and the 2009 Notes. As specified in "The Transactions," the Evergreen Transaction was completed on May 4, 2010. The Evergreen Transaction also involved the repayment of certain then-existing indebtedness and the incurrence of new indebtedness under the Existing Incremental Senior Secured Credit Facilities and the issuance of the May 2010 Notes. The unaudited pro forma combined income statements include pro forma adjustments to illustrate the impact of the financing components of the RGHL Transaction and the Evergreen Transaction as if they had been completed as of January 1, 2009.

We have determined that the Reynolds Foodservice Acquisition is a business combination under common control. The RGHL Group financial statements have been recast to include the results of Reynolds Foodservice from February 29, 2008, the date of its acquisition by Graeme Hart, our strategic owner. Therefore, purchase accounting has not been applied to the Reynolds Foodservice Acquisition. The difference between the purchase consideration paid to acquire Reynolds Foodservice and the issued capital value has been recognized directly in equity as set forth in the unaudited pro forma combined balance sheet.

The unaudited pro forma combined income statements do not include adjustments for (i) any revenue or cost saving synergies that may be achievable subsequent to the completion of the Pactiv Transaction or as a result of any of the other acquisitions we have completed or (ii) the impact of non-recurring items directly related to the Pactiv Transaction 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 Historical and Pro Forma Combined Financial Information."

The unaudited pro forma combined financial information only shows profit/(loss) from continuing operations and therefore excludes the results of Pactiv's protective and flexible packaging business, which has been classified as a discontinued operation in Pactiv's historical financial statements.

The unaudited pro forma combined financial information should be read in conjunction with "Certain Definitions," "The Transactions," "RGHL Group Operating and Financial Review and Prospects," "Risk Factors," and all of the historical financial statements and the notes thereto.

Unaudited Pro Forma Combined Balance Sheet as of June 30, 2010

(In $ millions)

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction(2)	Pro Forma RGHL Group(3)	Historical Pactiv(4)	Adjustments to Historical Pactiv Balances on Preliminary Conversion from U.S. GAAP to IFRS(5)	The Pactiv Transaction: New Financing Arrangements(6)	The Pactiv Transaction: Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition(7)	Pro Forma RGHL Combined Group(9)
Assets								
Cash and cash equivalents	$ 601.7	$ (297.0)(a)	$ 304.7	$ 43.0	$ 3.0(a)	$ 5,523.0(a)	$ (5,573.7)(a)	$ 300.0
Trade and other receivables	705.2	—	705.2	512.0	2.0(a)	—	(2.1)(b)	1,217.1
Derivatives	31.6	—	31.6	—	—	—	—	31.6
Assets held for sale	0.1	—	0.1	—	—	—	—	0.1
Current tax assets	27.7	—	27.7	19.0	(19.0)(h)	—	—	27.7
Inventories	808.8	—	808.8	489.0	0.7(a)	—	79.6(j)	1,378.1
Other assets	71.8	—	71.8	17.0	—(i)	—	—	88.8
Total current assets	**2,246.9**	**(297.0)**(a)	**1,949.9**	**1,080.0**	**(13.3)**	**5,523.0**	**(5,496.2)**	**3,043.4**
Non-current receivables	341.5	—	341.5	—	—	—	—	341.5
Investments in joint ventures (equity method)	97.1	—	97.1	2.0	(2.0)(a)	—	—	97.1
Deferred tax assets	123.0	—	123.0	—	19.8(h)	—	—	142.8
Property, plant and equipment	1,761.5	—	1,761.5	1,237.0	(7.0)(b)(c)	—	226.0(j)	3,217.5
Investment property	56.8	—	56.8	—	—	—	—	56.8
Intangible assets	3,070.3	—	3,070.3	1,607.0	12.7(b)	—	4,681.5(j)	9,371.5
Derivatives	16.9	—	16.9	—	—	—	—	16.9
Other assets	21.6	—	21.6	56.0	(4.5)(e)	—	(34.1)(j)	39.0
Total non-current assets	**5,488.7**	—	**5,488.7**	**2,902.0**	**19.0**	—	**4,873.4**	**13,283.1**
Total assets	**7,735.6**	**(297.0)**(a)	**7,438.6**	**3,982.0**	**5.7**	**5,523.0**	**(622.8)**	**16,326.5**
Liabilities								
Bank overdrafts	2.8	—	2.8	11.0	—	—	—	13.8
Trade and other payables	842.7	—	842.7	323.0	1.9(a)	—	(2.1)(b)	1,165.5
Borrowings	60.5	—	60.5	256.0	0.9(c)	65.2(b)	(250.0)(c)	132.6
Current tax liabilities	56.1	—	56.1	30.0	—	—	(46.5)(k)	39.6
Derivatives	11.5	—	11.5	—	—	—	—	11.5
Employee benefits	107.8	—	107.8	60.0	—	—	—	167.8
Provisions	60.5	—	60.5	10.0	—	—	—	70.5
Total current liabilities	**1,141.9**	—	**1,141.9**	**690.0**	**2.8**	**65.2**	**(298.6)**	**1,601.3**
Non-current payables	29.9	—	29.9	4.0	—	—	—	33.9
Borrowings	5,654.2	—	5,654.2	1,287.0	2.4(c)(e)	4,802.5(c)	(533.4)(d)	11,212.7
Deferred tax liabilities	423.8	—	423.8	91.0		—	937.3(j)	1,452.1
Employee benefits	227.6	—	227.6	659.0		—	468.8(j)	1,355.4
Provisions	31.9	—	31.9	105.0	—	—	11.0(j)	147.9
Total non-current liabilities	**6,367.4**	—	**6,367.4**	**2,146.0**	**2.4**	**4,802.5**	**883.7**	**14,202.0**
Total liabilities	**7,509.3**	—	**7,509.3**	**2,836.0**	**5.2**	**4,867.7**	**585.1**	**15,803.3**
Net assets	**226.3**	(297.0)(a)	**(70.7)**	**1,146.0**	**0.5**	**655.3**	**(1,207.9)**	**523.2**
Share capital	1,565.7	(192.7)(a)	1,373.0	736.0	—	660.6(d)	(736.0)(e)	2,033.6
Reserves	(1,092.9)	(104.3)(a)	(1,197.2)	(1,708.0)	—	—	1,708.0(f)	(1,197.2)
Retained earnings (accumulated deficit)	(256.6)	—	(256.6)	2,104.0	(1.3)(k)	(5.3)(e)	(2,179.9)(g)	(339.1)
Equity attributable to equity holder of the parent entity	**216.2**	**(297.0)**(a)	**(80.8)**	**1,132.0**	**(1.3)**	**655.3**	**(1,207.9)**	**497.3**
Minority interests	10.1	—	10.1	14.0	1.8(a)	—	—	25.9
Total equity	**$ 226.3**	**$ (297.0)**(a)	**$ (70.7)**	**$ 1,146.0**	**$ 0.5**	**$ 655.3**	**$ (1,207.9)**	**$ 523.2**

Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2009

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction(2)	Pro Forma RGHL Group(3)	Historical Pactiv(4)	Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS(5)	The Pactiv Transaction: New Financing Arrangements(6)	The Pactiv Transaction: Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition(7)	Pro Forma RGHL Combined Group(8)
					(In $ millions)			
Revenue	$ **6,002.4**	$ —	$ **6,002.4**	$ **3,360.0**	$ **29.6(a)**	$ —	$ **(21.3)**(h)	$ **9,370.7**
Cost of sales	(4,783.7)	—	(4,783.7)	(2,390.0)	(35.1)(a)(c)(d)	—	24.1(h)(j)	(7,184.7)
Gross profit	**1,218.7**	**—**	**1,218.7**	**970.0**	**(5.5)**	**—**	**2.8**	**2,186.0**
Other income	201.0	—	201.0	—	—	—	—	201.0
Selling, marketing and distribution expenses	(210.7)	—	(210.7)	(156.0)	—	—	—	(366.7)
General and administration expenses	(366.8)	—	(366.8)	(228.0)	(58.4)(a)(d)	—	(15.3)(j)	(668.5)
Other expenses	(95.9)	—	(95.9)	(6.0)	1.5(f)	—	—	(100.4)
Share of profit of associates and joint ventures, net of income tax (equity method)	11.4	—	11.4	—	(0.9)(a)	—	—	10.5
Profit/(loss) from operating activities	**757.7**	**—**	**757.7**	**580.0**	**(63.3)**	**—**	**(12.5)**	**1,261.9**
Financial income	20.9	—	20.9	1.0	—	—	—	21.9
Financial expenses	(513.2)	39.1(b)	(474.1)	(95.0)	(3.3)(c)(f)(g)	(401.6)(f)	29.3(i)	(944.7)
Net financial expenses	**(492.3)**	**39.1**	**(453.2)**	**(94.0)**	**(3.3)**	**(401.6)**	**29.3**	**(922.8)**
Profit/(loss) before income tax	**265.4**	**39.1**	**304.5**	**486.0**	**(66.6)**	**(401.6)**	**16.8**	**339.1**
Income tax benefit (expense)	(148.7)	(34.8)(c)	(183.5)	(177.0)	24.7(j)	127.1(g)	(6.2)(k)	(214.9)
Profit/(loss) from continuing operations	**$ 116.7**	**$ 4.3**	**$ 121.0**	**$ 309.0**	**$ (41.9)**	**$ (274.5)**	**$ 10.6**	**$ 124.2**

Unaudited Pro Forma Combined Income Statement for the Six Months Ended June 30, 2009

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction(2)	Pro Forma RGHL Group(3)	Historical Pactiv(4)	Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS(5)	The Pactiv Transaction: New Financing Arrangements(6)	The Pactiv Transaction: Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition(7)	Pro Forma RGHL Combined Group(8)
	(In $ millions)							
Revenue	**$ 2,890.6**	**$ —**	**$ 2,890.6**	**$ 1,667.0**	**$ 15.4(a)**	**$ —**	**$ (12.3)(h)**	**$ 4,560.7**
Cost of sales	(2,367.9)	—	(2,367.9)	(1,172.0)	(19.2)(a)(c)(d)	—	14.9(h)(j)	(3,544.2)
Gross profit	**522.7**	**—**	**522.7**	**495.0**	**(3.8)**	**—**	**2.6**	**1,016.5**
Other income	116.0	—	116.0	—	—	—	—	116.0
Selling, marketing and distribution expenses	(105.4)	—	(105.4)	(77.0)	—	—	—	(182.4)
General and administration expenses	(170.7)	—	(170.7)	(119.0)	(28.1)(a)(d)	—	(9.1)(j)	(326.9)
Other expenses	(43.5)	—	(43.5)	—	0.9(f)	—	—	(42.6)
Share of profit of associates and joint ventures, net of income tax (equity method)	4.8	—	4.8	—	(0.5)(a)	—	—	4.3
Profit/(loss) from operating activities	**323.9**	**—**	**323.9**	**299.0**	**(31.5)**	**—**	**(6.5)**	**584.9**
Financial income	8.0	—	8.0	1.0	—	—	—	9.0
Financial expenses	(223.9)	(17.0)(b)	(240.9)	(48.0)	(1.8)(c)(f)(g)	(225.9)(f)	14.6(i)	(502.0)
Net financial expenses	**(215.9)**	**(17.0)**	**(232.9)**	**(47.0)**	**(1.8)**	**(225.9)**	**14.6**	**(493.0)**
Profit/(loss) before income tax	**108.0**	**(17.0)**	**91.0**	**252.0**	**(33.3)**	**(225.9)**	**8.1**	**91.9**
Income tax benefit (expense)	(62.4)	(11.9)(c)	(74.3)	(94.0)	12.5(j)	63.3(g)	(2.9)(k)	(95.4)
Profit/(loss) from continuing operations	**$ 45.6**	**$ (28.9)**	**$ 16.7**	**$ 158.0**	**$ (20.8)**	**$ (162.6)**	**$ 5.2**	**$ (3.5)**

Unaudited Pro Forma Combined Income Statement for the Six Months Ended June 30, 2010

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction(2)	Pro Forma RGHL Group(3)	Historical Pactiv(4)	Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS(5)	The Pactiv Transaction		
						New Financing Arrangements(6)	Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition(7)	Pro Forma RGHL Combined Group(8)
	(In $ millions)							
Revenue	**$ 3,032.6**	**$ —**	**$ 3,032.6**	**$ 1,750.0**	**$ 14.1(a)**	**$ —**	**$ (13.0)**(h)	**$ 4,783.7**
Cost of sales	(2,507.2)	—	(2,507.2)	(1,335.0)	(11.9)(a)(c)(d)	—	15.0(h)(j)	(3,839.1)
Gross profit	**525.4**	**—**	**525.4**	**415.0**	**2.2**	**—**	**2.0**	**944.6**
Other income	43.9	—	43.9	—	—	—	—	43.9
Selling, marketing and distribution expenses	(102.5)	—	(102.5)	(80.0)	—	—	—	(182.5)
General and administration expenses	(176.6)	—	(176.6)	(92.0)	1.1(a)(d)	—	(5.1)(j)	(272.6)
Other expenses	(52.3)	—	(52.3)	—	—	—	—	(52.3)
Share of profit of associates and joint ventures, net of income tax (equity method)	9.4	—	9.4	—	(0.5)(a)	—	—	8.9
Profit/(loss) from operating activities	**247.3**	**—**	**247.3**	**243.0**	**2.8**	**—**	**(3.1)**	**490.0**
Financial income	11.0	—	11.0	—	—	—	—	11.0
Financial expenses	(349.8)	(87.5)(b)	(437.3)	(49.0)	(0.9)(c)(g)	(278.5)(f)	14.7(i)	(751.0)
Net financial expenses	**(338.8)**	**(87.5)**	**(426.3)**	**(49.0)**	**(0.9)**	**(278.5)**	**14.7**	**(740.0)**
Profit/(loss) before income tax	**(91.5)**	**(87.5)**	**(179.0)**	**194.0**	**1.9**	**(278.5)**	**11.6**	**(250.0)**
Income tax benefit (expense)	(35.3)	10.3(c)	(25.0)	(71.0)	(0.7)(j)	63.2(g)	(4.2)(k)	(37.7)
Profit/(loss) from continuing operations	**$ (126.8)**	**$ (77.2)**	**$ (204.0)**	**$ 123.0**	**$ 1.2**	**$ (215.3)**	**$ 7.4**	**$ (287.7)**

Unaudited Pro Forma Combined Income Statement for the LTM Period

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction(2)	Pro Forma RGHL Group(3)	Historical Pactiv(4)	Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS(5)	The Pactiv Transaction: New Financing Arrangements(6)	The Pactiv Transaction: Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition(7)	Pro Forma RGHL Combined Group(8)
					(In $ millions)			
Revenue	**$ 6,144.4**	$ —	**$ 6,144.4**	**$ 3,443.0**	**$ 28.3(a)**	**$ —**	**$ (22.0)**(h)	**$ 9,593.7**
Cost of sales	(4,923.0)	—	(4,923.0)	(2,553.0)	(27.8)(a)(c)(d)	—	24.2(h)(j)	(7,479.6)
Gross profit	**1,221.4**	**—**	**1,221.4**	**890.0**	**0.5**	**—**	**2.2**	**2,114.1**
Other income	128.9	—	128.9	—	—	—	—	128.9
Selling, marketing and distribution expenses	(207.8)	—	(207.8)	(159.0)	—	—	—	(366.8)
General and administration expenses	(372.7)	—	(372.7)	(201.0)	(29.2)(a)(d)	—	(11.3)(j)	(614.2)
Other expenses	(104.7)	—	(104.7)	(6.0)	0.6(f)	—	—	(110.1)
Share of profit of associates and joint ventures, net of income tax (equity method)	16.0	—	16.0	—	(0.9)(a)	—	—	15.1
Profit/(loss) from operating activities	**681.1**	**—**	**681.1**	**524.0**	**(29.0)**	**—**	**(9.1)**	**1,167.0**
Financial income	23.9	—	23.9	—	—	—	—	23.9
Financial expenses	(639.1)	(31.4)(b)	(670.5)	(96.0)	(2.4)(c)(f)(g)	(454.2)(f)	29.4(i)	(1,193.7)
Net financial expenses	**(615.2)**	**(31.4)**	**(646.6)**	**(96.0)**	**(2.4)**	**(454.2)**	**29.4**	**(1,169.8)**
Profit/(loss) before income tax	**65.9**	**(31.4)**	**34.5**	**428.0**	**(31.4)**	**(454.2)**	**20.3**	**(2.8)**
Income tax benefit (expense)	(121.6)	(12.6)(c)	(134.2)	(154.0)	11.5(j)	127.0(g)	(7.5)(k)	(157.2)
Profit/(loss) from continuing operations	**$ (55.7)**	**$ (44.0)**	**$ (99.7)**	**$ 274.0**	**$ (19.9)**	**$ (327.2)**	**$ 12.8**	**$ (160.0)**

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

(1) Historical RGHL Group

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

- the unaudited historical balance sheet of the RGHL Group as of June 30, 2010; and
- the audited historical income statement of the RGHL Group for the year ended December 31, 2009, and the unaudited historical income statements for the six months ended June 30, 2009 and 2010.

(2) Adjustments for the Full Period Effect of the Reynolds Foodservice Payment and Financing Components of the RGHL Transaction and the Evergreen Transaction

(a) Adjustment reflects the use of cash of $297.0 million in connection with the Reynolds Foodservice Acquisition

The Reynolds Foodservice Acquisition was completed on September 1, 2010. In accordance with RGHL Group's accounting policy for common control transactions, the RGHL Group financial statements have been recast to include the results of Reynolds Foodservice from February 29, 2008, the date of its acquisition by Graeme Hart, our strategic owner.

The Reynolds Foodservice Acquisition was financed using existing cash-on-hand of the RGHL Group and did not involve the repayment of the then-existing indebtedness or the incurrence of new indebtedness.

This adjustment reflects the Reynolds Foodservice Payment and the consolidation adjustment to eliminate the acquired issued capital of Reynolds Foodservice of $192.7 million. In accordance with RGHL Group's accounting policy for business combinations under common control, the difference of $104.3 million between the purchase consideration paid and the value of the acquired issued capital is reflected in equity.

(b) Adjustments for the full year effect of the financing components of the RGHL Transaction and the Evergreen Transaction

The RGHL Transaction was completed on November 5, 2009. In accordance with RGHL Group's accounting policy for business combinations under common control, the RGHL Group financial statements were recast to include the results of Reynolds Consumer and Closures from February 29, 2008, the date of their acquisition by Graeme Hart, our strategic owner.

The Evergreen Transaction was completed on May 4, 2010. In accordance with RGHL Group's accounting policy for business combinations under common control, the RGHL Group financial statements were recast to include the results of the Evergreen Transaction from January 31, 2007, the date of its acquisition by Graeme Hart, our strategic owner.

The RGHL Transaction involved the repayment of certain of the then-existing indebtedness and the incurrence of new indebtedness under the Original Senior Secured Credit Facilities and the 2009 Notes.

The Evergreen Transaction involved the repayment of certain then-existing indebtedness and the incurrence of new indebtedness pursuant to the issuance of the May 2010 Notes and under the Existing Incremental Senior Secured Credit Facilities. The unaudited pro forma combined income statements include an adjustment to illustrate the impact of the financing components of the RGHL Transaction and the Evergreen Transaction as if they had been completed as of January 1, 2009.

Adjustments have been made to give full year effect to these transactions as if the RGHL Transaction and the Evergreen Transaction had been completed as of January 1, 2009, comprising:

	For the Year Ended December 31,	For the Six Months Ended June 30,	
	2009	2009	2010
	(In $ millions)		
Interest expense on the May 2010 Notes(i)	$ (85.0)	$ (42.5)	$ (28.7)
Amortization of May 2010 Notes issuance costs(ii)	(4.2)	(2.1)	(1.4)
Interest expense on the 2009 Notes(iii)	(111.5)	(64.7)	—
Amortization of 2009 Notes original issue discount and issuance costs(iv)	(9.6)	(6.5)	—
Interest expense on Original Senior Secured Credit Facilities(v)	(71.7)	(42.7)	—
Interest expense on Existing Incremental Senior Secured Credit Facilities(vi)	(46.0)	(23.1)	(15.4)
Amortization of Original Senior Secured Credit Facilities original issue discount and issuance costs(vii)	(5.0)	(3.4)	—
Amortization of Existing Incremental Senior Secured Credit Facilities original issue discount and issuance costs(viii)	(5.9)	(3.0)	(2.0)
Adjustment for SIG Senior Credit Facilities interest expense(ix)	49.7	24.0	—
Adjustment for Reynolds Facility interest expense(ix)	84.8	50.2	—
Adjustment for CHH Senior Credit Facilities interest expense(x)	23.0	13.3	8.0
Adjustment for GE Facility interest expense(x)	1.5	0.4	0.3
Adjustment for unamortized debt issuance costs(xi)	36.2	—	—
Removal of related party borrowings interest expense(xii)	25.6	16.8	—
Foreign exchange gains (losses) on the 2009 Notes and related intercompany loans(xiii)	23.6	2.6	—
Foreign exchange gains (losses) on the May 2010 Notes and related intercompany loans(xiv)	16.1	4.7	(52.5)
Removal of foreign exchange (gains)/losses on the CHH Senior Credit Facilities(xv)	117.5	59.0	4.2
Net adjustment to give full year effect to net financial income/(expenses)	**$ 39.1**	**$ (17.0)**	**$ (87.5)**

(i) Reflects the incremental cash interest expense of 8.5% on the $1,000.0 million principal amount of the May 2010 Notes.

(ii) Reflects the incremental non-cash amortization on $28.3 million of deferred note issuance costs in connection with the May 2010 Notes. This non-cash expense has been calculated using the Effective Interest Rate Method.

(iii) Reflects the incremental cash interest expense of 7.75% on the $1,125.0 million principal amount of the 2009 Dollar Notes and €450.0 million principal amount of the 2009 Euro Notes. Interest on the 2009 Dollar Notes is paid in dollars and interest on the 2009 Euro Notes is paid in euro. Pursuant to the registration rights agreement with respect to the 2009 Notes, the interest rate applicable to such notes will increase by 25 basis points for every 90-day period during which we have not complied with our registration obligations, subject to a cap of 1.0%. A 25 basis points increase in the interest rate paid on the 2009 Notes would increase our interest expense by $1.0 million for any 90-day period during which such additional interest is required to be paid. Additional interest will commence from November 5, 2010.

(iv) Reflects the incremental non-cash amortization of the $23.0 million of original issue discount and the $76.8 million of deferred note issuance costs, net of the embedded derivatives in connection with the 2009 Notes. This non-cash expense has been calculated using the Effective Interest Rate Method. A portion of the original issue discount and deferred note issuance costs is denominated in dollars and a portion is denominated in euro.

(v) Reflects the incremental cash interest expense of 6.25% on the $1,035.0 million principal term loan amount and €250.0 million principal term loan amount drawn under the Original Senior Secured Credit Facilities.

(vi) Reflects the incremental cash interest expense of 5.75% on the $800.0 million Existing Incremental Senior Secured Credit Facilities borrowed as part of the Evergreen Transaction.

(vii) Reflects the incremental non-cash amortization of the $13.9 million of original issue discount and the $56.8 million of deferred debt issuance costs arising from the Original Senior Secured Credit Facilities. This non-cash expense has been calculated using the Effective Interest Rate Method. A portion of the original issue discount and Original Senior Secured Credit Facilities deferred debt issuance costs is denominated in dollars and a portion is denominated in euro.

(viii) Reflects the incremental non-cash amortization of the $2.0 million of original issue discount and the $18.7 million of deferred debt issuance costs arising from the $800.0 million Existing Incremental Senior Secured Credit Facilities borrowed as part of the Evergreen Transaction.

(ix) Represents the reversal of historical interest expense and amortization of deferred debt issuance costs for the respective facilities that were repaid in connection with the RGHL Transaction.

(x) Represents the reversal of historical interest expense and amortization of deferred debt issuance costs for the respective facilities that were repaid or extinguished in connection with the Evergreen Transaction.

(xi) Represents the reversal of the write-off of the unamortized deferred debt issuance costs for the respective facilities that were repaid in connection with the RGHL Transaction.

(xii) Represents the removal of the interest expense on related party borrowings that were eliminated on consolidation as a result of the Evergreen Transaction and the recasting of the RGHL Group financial statements to include the results of Evergreen from January 31, 2007, the date of Evergreen's acquisition by Graeme Hart, our strategic owner.

(xiii) The 2009 Notes are denominated in dollars and euro. Lux Issuer, the issuer of the 2009 Euro Notes, also issued $377.2 million of the 2009 Dollar Notes. Even though the RGHL Group presentation currency is the dollar, Lux Issuer maintains its accounting records in euro which is its functional currency. For an explanation of the RGHL Group accounting policies relating to foreign currency translation, refer to note 3 of the RGHL Group audited financial statements. Furthermore, certain intercompany loans within the RGHL Group that arose from the on-lending of a portion of the proceeds from the issuance of the 2009 Notes are in a currency other than the currency in which Lux Issuer and the borrowers of the intercompany loans maintain their accounting records. Consequently, the adjustment represents unrealized foreign exchange (gains) and losses due to historical exchange rate movements. Under IFRS, these unrealized foreign exchange gains and (losses) are recognized within the income statement as a component of net financial expenses. This adjustment reflects the incremental impact of favorable exchange rate movements during the year ended December 31, 2009 and the six months ended June 30, 2009. Currency markets are volatile and there is no assurance that these results are indicative of the foreign exchange gains and (losses) that will be recognized in future periods.

(xiv) The May 2010 Notes issued as part of the Evergreen Transaction are denominated in dollars. Lux Issuer, the co-issuer of the May 2010 Notes, issued $483.0 million of the May 2010 Notes. Even though the RGHL Group presentation currency is the dollar, Lux Issuer maintains its accounting records in euro which is its functional currency. For an explanation of the RGHL Group accounting policies relating to foreign currency translation, refer to note 3 of the RGHL Group audited financial statements. Furthermore, certain intercompany loans within the RGHL Group that arose from the on-lending of a portion of the proceeds from the issuance of the May 2010 Notes are in a currency other than the currency in which Lux Issuer and the borrowers of the intercompany loans maintain their accounting records. Consequently, the adjustment represents unrealized foreign exchange (gains) and losses due to historical exchange rate movements. Under IFRS, these unrealized foreign exchange gains and (losses) are recognized within the income statement as a component of net financial expenses. This adjustment reflects the incremental impact of favorable exchange rate movements during the year ended December 31, 2009, and the six months ended June 30, 2009, and incremental unfavorable exchange rate movements during the six months ended June 30, 2010. Currency markets are volatile and there is no assurance that these results are indicative of the foreign exchange gains and (losses) that will be recognized in future periods.

(xv) The CHH Senior Credit Facilities were drawn by Evergreen U.S. and Evergreen Canada, which became wholly owned subsidiaries of the RGHL Group as part of the Evergreen Transaction. At the time of the Evergreen Transaction, Evergreen U.S. issued equity to settle its and Evergreen Canada's liabilities under the CHH Senior Credit Facilities. The facilities were denominated in dollars, NZ dollars and Canadian dollars. Evergreen U.S. maintains its accounting records in dollars and recognized foreign exchanges gains and (losses) within the income statement as a component of net financial expenses on the revaluation of the facilities drawn in NZ dollars. This adjustment reverses the impact of those foreign exchange gains (losses) in the pro forma financial information.

(c) Represents the net adjustment to income tax benefit (expense) as if the RGHL Transaction and the Evergreen Transaction had been completed as of January 1, 2009. The tax expense has been calculated using respective local statutory tax rates which range from 28% to 38%. A portion of tax adjustment arising from the interest on the May 2010 Notes, the 2009 Notes, the Original Senior Secured Credit Facilities and on the Existing Incremental Senior Secured Credit Facilities has not been recognized as this potential tax benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

(3) Pro Forma RGHL Group

Represents the historical RGHL Group adjusted for the full year impact of the Reynolds Foodservice Payment and the financing components of the RGHL Transaction and the Evergreen Transaction. These adjustments are described in (2) above.

(4) Historical Pactiv financial information

The historical financial information is derived from:

- the unaudited historical consolidated balance sheet of Pactiv as of June 30, 2010; and
- the audited historical consolidated income statement of Pactiv for the year ended December 31, 2009 and the unaudited consolidated income statements for the six months ended June 30, 2009 and 2010.

The historical consolidated financial information of Pactiv is prepared in accordance with U.S. GAAP. For the purpose of presenting the unaudited historical information in a reporting format that is consistent with that of the RGHL Group, certain components of Pactiv's balance sheet and income statement have been reclassified.

The following reclassifications have been made in the balance sheet as of June 30, 2010:

- Investments in joint ventures (equity method) of $2.0 million have been reclassified from "Other assets — non-current" to "Investments in joint ventures (equity method)";
- Goodwill of $1,232.0 million has been reclassified from "Goodwill" to "Intangible assets";
- Bank overdrafts of $11.0 million have been reclassified from "Accounts payable" to "Bank overdrafts";
- Accrued interest of $21.0 million has been reclassified from "Interest accrued" to "Trade and other payables";
- The balance of "Accrued promotions, rebates and discounts" of $75.0 million has been reclassified to "Trade and other payables";
- The balance of "Short-term debt of variable interest entity and current maturities of long-term debt" of $255.0 million has been reclassified to "Current borrowings";
- The balance of "Long-term debt" of $1,270.0 million has been reclassified to "Non-current borrowings";
- Current finance lease liabilities of $1.0 million have been reclassified from "Other liabilities — current" to "Current borrowings";
- The remaining balance of "Other liabilities — current" has been reclassified by $10.0 million to "Provisions" and by $42.0 million to "Trade and other payables";
- Non-current finance lease liabilities of $17.0 million have been reclassified from "Other liabilities — non-current" to "Non-current borrowings";
- The remaining balance of "Other liabilities — non-current" has been reclassified by $30.0 million to "Employee benefits," by $105.0 million to "Provisions," and by $4.0 million to "Non-current payables";
- The balance of "Pension and postretirement benefits" of $629.0 million has been reclassified to "Employee benefits";

- The balance of “Common stock” of $1.0 million and the balance of “Premium on common stock and other capital surplus” of $735.0 million have been reclassified to “Share capital”; and

- The balance of “Accumulated other comprehensive loss” of $1,708.0 million has been reclassified to “Reserves.”

The following reclassifications have been made in the income statement for the year ended December 31, 2009:

- “Depreciation and amortization” expenses of $184.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Cost of sales” ($149.0 million) and “General and administration expenses” ($35.0 million) based on the use of the assets to which the depreciation and amortization charges relate;

- “Selling, general and administrative” expenses of $349.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Selling, marketing and distribution expenses” ($156.0 million) and “General and administration expenses” ($193.0 million) based on the nature of the expenses; and

- “Other expenses” of $1.0 million have been reclassified into “Financial expenses.”

The following reclassifications have been made in the income statement for the six month period ended June 30, 2009:

- “Depreciation and amortization” expenses of $92.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Cost of sales” ($76.0 million) and “General and administration expenses” ($16.0 million) based on the use of the assets to which the depreciation and amortization charges relate; and

- “Selling, general and administrative” expenses of $180.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Selling, marketing and distribution expenses” ($77.0 million) and “General and administration expenses” ($103.0 million) based on the nature of the expenses.

- “Other expenses” of $1.0 million have been reclassified into “Financial expenses.”

The following reclassifications have been made in the income statement for the six month period ended June 30, 2010:

- “Depreciation and amortization” expenses of $96.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Cost of sales” ($76.0 million) and “General and administration expenses” ($20.0 million) based on the use of the assets to which the depreciation and amortization charges relate; and

- “Selling, general and administrative” expenses of $152.0 million as reported by Pactiv on the face of the income statement have been reclassified into “Selling, marketing and distribution expenses” ($80.0 million) and “General and administration expenses” ($72.0 million) based on the nature of the expenses.

(5) Adjustments to Historical Pactiv Balances and Results on Preliminary Conversion from U.S. GAAP to IFRS

The historical financial information of Pactiv was prepared in accordance with U.S. GAAP. For the purpose of presenting the unaudited pro forma combined financial information, the reclassified balance sheet data of Pactiv at June 30, 2010 and the reclassified income statement data for the year ended December 31, 2009 and for the six month periods ended June 30, 2009 and 2010 have been converted to IFRS on a preliminary basis by applying, in all material respects, the accounting policies of the RGHL Group as of January 1, 2009 for the income statement information and as of June 30, 2010 for the balance sheet information. In converting this data, management has made adjustments to amounts previously reported in its financial statements under U.S. GAAP. IFRS and U.S. GAAP are not directly comparable. We have not attempted to quantify all differences that would have been identified if the complete historical Pactiv financial statements had been prepared in accordance with IFRS. Accordingly, we cannot assure you that the conversion as described is a complete summary of all the differences that would result had a full exercise been undertaken. Had we undertaken such conversion, other accounting and disclosure differences may have come to our attention that are not identified below, some of which may be material. Accordingly, we cannot assure you that the identified differences below represent all principal adjustments to Pactiv’s financial statements necessary to present them on an IFRS basis consistent with the RGHL Group’s financial statements. An explanation of how the preliminary conversion from U.S. GAAP to IFRS has affected Pactiv’s shareholders’ equity and profit from continuing operations is set out below:

	Preliminary At June 30, 2010
	(In $ millions)
Total equity under U.S. GAAP	$ 1,146.0
Adjustments to conform with IFRS	
Consolidation of controlled entity(a)	1.8
Property, plant and equipment(b)	(12.7)
Intangible assets(b)	12.7
Lease classification(c)	(2.1)
Other assets — debt issue costs(e)	(4.5)
Borrowings — debt issue costs(e)	4.5
Deferred tax asset — current(h)	(19.0)
Deferred tax asset — non-current(h)	19.8
Change in equity	0.5
Total equity under IFRS	**$ 1,146.5**

	For the Year Ended December 31,	For the Six Months Ended June 30,	
	2009	2009	2010
	(In $ millions)		
Income from continuing operations under U.S. GAAP	$ 309.0	$ 158.0	$ 123.0
Adjustments to conform with IFRS			
Consolidation of controlled entity(a)	0.9	0.5	0.6
Lease classification(c)	(0.1)	(0.1)	—
Employee benefits(d)	(66.4)	(33.2)	1.8
Other expenses — securitization of receivables(f)	1.5	0.9	—
Financial expenses — securitization of receivables(f)	(1.5)	(0.9)	—
Derivative financial instruments(g)	(1.0)	(0.5)	(0.5)
Income tax expense(j)	24.7	12.5	(0.7)
Change in results	(41.9)	(20.8)	1.2
Profit before income taxes under IFRS	**$ 267.1**	**$ 137.2**	**$ 124.2**

(a) Consolidation of controlled entity

Under IFRS, 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.

Under U.S. GAAP, consolidation is based on a controlling financial interest model, which differs in certain respects from IFRS.

An entity was not consolidated under U.S. GAAP. However under IFRS Pactiv is deemed to have control of this entity and the entity is consolidated.

The net adjustment for the consolidation of this entity results in an increase in total equity of $1.8 million. This net adjustment comprises a reduction to investments in joint ventures of $2.0 million, an increase in cash of $3.0 million, an increase in trade and other receivables of $2.0 million, an increase in inventories of $0.7 million, an increase trade and other payables of $1.9 million, and an increase in minority interests of $1.8 million.

The net adjustment to profit from continuing operations as a result of consolidating this entity is an increase of $0.9 million in the year ended December 31, 2009, an increase of $0.5 million for the six-month period ended June 30, 2009, and an increase of $0.6 million for the six-month period ended June 30, 2010. The following table provides details of the components of this net adjustment:

	For the Year Ended December 31, 2009	For the Six Months Ended June 30,	
		2009	2010
		(In $ millions)	
Revenue	$ 29.6	$ 15.4	$ 14.1
Cost of sales	(25.8)	(13.4)	(12.3)
General and administration expenses	(2.0)	(1.0)	(0.7)
Share of profit of joint ventures, net of income tax (equity method)	(0.9)	(0.5)	(0.5)
Net adjustment to profit from continuing operations	**$ 0.9**	**$ 0.5**	**$ 0.6**

(b) Property, plant and equipment and intangible assets

At June 30, 2010, Pactiv had capitalized software of $12.7 million that under U.S. GAAP was classified as property, plant and equipment. Under IFRS this amount is presented as an intangible asset. The above adjustment reflects the reclassification from property, plant and equipment to intangible assets.

There is no impact on profit from continuing operations arising from this adjustment.

(c) Leases

Under IFRS, a finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset from the lessor to the lessee. IFRS applies a substance over legal form approach and requires judgment. The concepts for determining whether a lease is a capital (finance) lease are generally the same as under IFRS. However, U.S. GAAP provides explicit quantitative thresholds that define when certain of these criteria are met and in practice this can lead to certain arrangements that are classified as finance leases under IFRS that do not meet the quantitative thresholds of U.S. GAAP to be treated as a capital (finance) lease.

Certain leases in Pactiv's lease portfolio that had been treated as operating leases under U.S. GAAP meet the requirements to be classified as finance leases under IFRS.

The adjustment required to the balance sheet results in recognition of additional property, plant and equipment of $5.7 million, additional current borrowings of $0.9 million, additional non-current borrowings of $6.9 million and a net adjustment to reduce retained earnings, and net assets, by $2.1 million.

The adjustment to the income statement reflects the reversal of operating lease expense previously recognized under U.S. GAAP, and the recognition of depreciation expense associated with the capitalized asset and interest expense associated with the liability for future lease payments. The following table provides details of the components of this net adjustment:

	For the Year Ended December 31, 2009	For the Six Months Ended June 30,	
		2009	2010
		(In $ millions)	
Cost of sales — reversal of lease expense	$ 1.6	$ 0.8	$ 0.8
Cost of sales — recognition of depreciation expense	(0.9)	(0.5)	(0.4)
Cost of sales — net impact	0.7	0.3	0.4
Finance expense — interest on liability for future lease payments	(0.8)	(0.4)	(0.4)
Net adjustment to profit from continuing operations	**$ (0.1)**	**$ (0.1)**	**$ —**

(d) Employee benefits

Pactiv has certain defined benefit pension plans that require actuarial valuations to determine pension income (expense) and the plan's net asset or liability position.

Under U.S. GAAP, Pactiv determined the return on plan assets by applying the expected return on plan assets to a calculated value of assets that recognizes changes in fair value in a systematic and rational manner of not more than five years. Under IFRS, the return on plan assets is determined by applying the expected return on plan assets to the fair value of plan assets as of the measurement date. This difference in methodology impacts the calculation of expected return on plan assets, a component of net pension expense.

Under U.S. GAAP, Pactiv's net pension income (expense) included the amortization of unrecognized actuarial gains and losses. On transition to IFRS, all unrecognized actuarial gains and losses may be recognized directly in retained earnings. Accordingly, the IFRS periodic pension expense has no amortization component.

The following table presents the components of the net adjustment to pension income (expense) and also the allocation of this adjustment in the pro forma income statement:

	For the Year Ended December 31,	For the Six Months Ended June 30,	
	2009	2009	2010
	(In $ millions)		
Reversal of unrecognized net actuarial loss	$ (50.0)	$ (13.0)	$ (18.0)
Adjustment to expected return on plan assets	(16.4)	(20.2)	19.8
Net adjustment to pension expense	(66.4)	(33.2)	1.8
Recognized as:			
(Increase) decrease to cost of sales	(10.0)	(6.1)	—
(Increase) decrease to general and administrative expenses	(56.4)	(27.1)	1.8
Net adjustment to profit from continuing operations	**$ (66.4)**	**$ (33.2)**	**$ 1.8**

(e) Debt issuance costs — other assets and borrowings

Under U.S. GAAP, debt issuance costs are deferred and treated as a separate asset. Under IFRS, debt issue costs are deferred and presented as an offset against borrowings.

The adjustment for debt issuance costs is to reduce other assets — non-current by $4.5 million, with a corresponding reduction in borrowings of $4.5 million. There is no impact on net assets arising from this adjustment.

There is no impact on profit from continuing operations arising from this adjustment.

(f) Securitization of receivables

Pactiv has a receivables securitization program that is operated through a special purpose entity ("SPE"). Under U.S. GAAP, for the six months ended June 30, 2009, and the year ended December 31, 2009, this SPE was not consolidated. Due to a change in U.S. GAAP, effective January 1, 2010, the SPE was consolidated under U.S. GAAP for the six months ended June 30, 2010.

Although U.S. GAAP has the concepts of variable interest entities ("VIEs") and qualifying SPEs ("QSPEs"), which may meet the definition of an SPE under IFRS, the U.S. GAAP consolidation framework that applies to VIEs and QSPEs differs from the consolidation framework that applies to SPEs under IFRS.

Under IFRS, the Pactiv securitization SPE is consolidated for the year ended December 31, 2009, and the six months ended June 30, 2009 and 2010.

In respect of the income statement, for the year ended December 31, 2009, and the six months ended June 30, 2009, an adjustment has been made of $1.5 million and $0.9 million, respectively, to reclassify the discounts and fees recorded by Pactiv in other income to financial expenses. There is no net impact on profit from continuing operations arising from this adjustment. Due to the change in U.S. GAAP from January 1, 2010, no adjustment is reflected in the six-month period ended June 30, 2010, or in the balance sheet as of June 30, 2010.

(g) Derivative financial instruments

Gains on termination of interest rate swaps were deferred upon termination of the swaps by Pactiv in 1999 and 2007 and were amortized into the income statement over the remaining term of the related debt. Under IFRS, these gains would have been recognized in the income statement on termination.

The preliminary conversion adjustment for derivative financial instruments is reflected in the income statement to reverse the amortization of the deferred net gain, increasing financial expenses by $1.0 million, $0.5 million and $0.5 million for the year ended December 31, 2009, the six months ended June 30, 2009 and the six months ended June 30, 2010, respectively.

(h) Deferred tax asset — Current

Under U.S. GAAP, deferred tax assets are allocated between current assets and non-current assets based on the expected timing of their utilization. Under IFRS, deferred tax must be presented as a non-current asset. This adjustment reclassifies $19.0 million of current deferred tax assets to non-current deferred tax assets. There is no impact on net assets arising from this adjustment.

(i) Deferred tax asset — Non-Current

The $19.8 million increase to deferred tax asset comprises:

(a) $19.0 million reclassification from current tax asset described above at (h); and

(b) $0.8 million tax effect of all other U.S. GAAP to IFRS adjustments using the tax rate described in (j) below.

(j) Income tax expense

The adjustment to income tax expense in the pro forma income statement reflects the tax effect of the U.S. GAAP to IFRS adjustments at a statutory rate of 37%.

(k) Retained earnings

Represents the net adjustment to retained earnings arising from the consolidation of controlled entity, lease classification and the associated deferred tax impact as described above at (a), (c) and (i), respectively.

(6) New Financing Arrangements

This adjustment is comprised of:

- the Equity Contribution;
- the issuance of the $1,500.0 million Senior Secured Notes, net of estimated transaction costs;
- the issuance of the $1,500.0 million Senior Notes, net of estimated transaction costs; and
- the borrowings of the $2,020.0 million New Incremental Senior Secured Credit Facilities, net of original issue discount and estimated transaction costs.

(a) Represents the net adjustment to cash, calculated as follows:

	(In $ millions)
Equity Contribution(i)	$ 660.6
Proceeds from the Senior Secured Notes offered in connection with the Pactiv Transaction (ii)	1,500.0
Proceeds from the Senior Notes offered in connection with the Pactiv Transaction (iii)	1,500.0
Proceeds from the New Incremental Senior Secured Credit Facilities(iv)	1,998.0
Payment of the estimated fees and expenses(v)	(135.6)
Net adjustment to cash	**$ 5,523.0**

(i) Represents the Equity Contribution of $660.6 million to be made by RGHL's shareholder, in connection with the Pactiv Transaction based on $1,500 million aggregate principal amount of Senior Secured Notes offered in connection with the Pactiv Transaction, $1,500 million aggregate principal amount of Senior Notes offered in connection with the Pactiv Transaction and $2,020 million aggregate principal amount of New Incremental Senior Secured Credit Facilities. The Equity Contribution may increase or decrease as a result of the cash on hand as of the date of closing of the Pactiv Transaction. To the extent Pactiv and

the RGHL Group have more cash on hand as of the date of closing of the Pactiv Acquisition than they had as of June 30, 2010, the Equity Contribution may decrease and such decrease may be material. In addition, to the extent we repurchase less than all of the Pactiv 2012 Notes and the Pactiv 2018 Notes outstanding in connection with the Pactiv Tender Offers and the Pactiv Change of Control Offers, if any, the Equity Contribution may decrease and such decrease may be material. Any reduction in the Equity Contribution will be limited by our ability to comply with the covenants in the agreements governing our indebtedness, including the 5.5x net total leverage ratio under the Senior Secured Credit Facilities.

(ii) Represents the net proceeds from the Senior Secured Notes offered in connection with the Pactiv Transaction in aggregate principal amount of $1,500.0 million.

(iii) Represents the net proceeds from the Senior Notes offered in connection with the Pactiv Transaction in aggregate principal amount of $1,500.0 million.

(iv) Represents net proceeds from the New Incremental Senior Secured Credit Facilities in the amount of $2,020.0 million, net of the $22.0 million original issue discount.

(v) Represents the payment of an estimated $85.5 million of fees and expenses associated with the notes offered in connection with the Pactiv Transaction and payment of an estimated $50.1 million of fees and expenses associated with the New Incremental Senior Secured Credit Facilities, including $5.3 million of costs immediately expensed and recognized in retained earnings.

(b) Represents the current portion of the New Incremental Senior Secured Credit Facilities borrowings, calculated as follows:

	(In $ millions)
New Incremental Senior Secured Credit Facilities(i)	$ 65.2
Net adjustment to current borrowings	**$ 65.2**

(i) Represents the current portion of the New Incremental Senior Secured Credit Facilities, which consists of the first amortization payment of 10% of Term Loan A and the first amortization payment of 1% of Term Loan D.

(c) Represents the net increase in non-current borrowings, calculated as follows:

	(In $ millions)
Proceeds from the Senior Secured Notes offered in connection with the Pactiv Transaction (i)	$ 1,500.0
Proceeds from the Senior Notes offered in connection with the Pactiv Transaction (ii)	1,500.0
Estimated fees and expenses associated with the notes offered in connection with the Pactiv Transaction	(85.5)
Net proceeds from the notes offered in connection with the Pactiv Transaction	2,914.5
Proceeds from the New Incremental Senior Secured Credit Facilities(iii)	1,932.8
Estimated fees and expenses associated with the New Incremental Senior Secured Credit Facilities	(44.8)
Net proceeds from the New Incremental Senior Secured Credit Facilities	1,888.0
Net adjustment to non-current borrowings	**$ 4,802.5**

(i) Represents the net proceeds from the Senior Secured Notes offered in connection with the Pactiv Transaction in aggregate principal amount of $1,500.0 million.

(ii) Represents the net proceeds from the Senior Notes offered in connection with the Pactiv Transaction in aggregate principal amount of $1,500.0 million.

(iii) Represents the non-current portion of the New Incremental Senior Secured Credit Facilities, net of the $22.0 million original issue discount.

(d) Represents the net adjustment to share capital, comprising:

	(In $ millions)
Equity Contribution	$ 660.6
Net adjustment to share capital	**$ 660.6**

Refer to 6(a)(i) above for additional information regarding the Equity Contribution.

(e) Represents $5.3 million of fees incurred in connection with obtaining amendments to the Existing Senior Secured Credit Facilities.

(f) Represents the net adjustment to net financial expenses as if the Pactiv Transaction had been completed as of January 1, 2009, comprising:

	For the Year Ended December 31, 2009	For the Six Months Ended June 30, 2009	For the Six Months Ended June 30, 2010
	(In $ millions)		
Interest expense on the Senior Secured Notes offered in connection with the Pactiv Transaction (i)	$ (106.9)	$ (53.4)	$ (53.4)
Interest expense on the Senior Notes offered in connection with the Pactiv Transaction (ii)	(135.0)	(67.5)	(67.5)
Amortization of notes issuance costs(iii)	(7.8)	(3.8)	(4.2)
Additional interest expense on notes offered in connection with the Pactiv Transaction	**(249.7)**	**(124.7)**	**(125.1)**
Interest expense on the New Incremental Senior Secured Credit Facilities(iv)	(130.1)	(65.0)	(65.0)
Amortization of the New Incremental Senior Secured Credit Facilities issuance costs(v)	(12.4)	(6.2)	(6.2)
Incremental interest expense on the Existing Senior Secured Credit Facilities as a result of the amendment request(vi)	(11.0)	(5.5)	(5.5)
Foreign exchange (gains) losses on the notes and new intercompany loans(vii)	1.6	(24.5)	(76.7)
Net adjustment to financial expenses	**$ (401.6)**	**$ (225.9)**	**$ (278.5)**

(i) Reflects an interest rate of 7.125% on the principal amount of the Senior Secured Notes offered in connection with the Pactiv Transaction of $1,500.0 million. Interest will be paid in dollars. In addition, for each month that funds from the issuance of the Senior Secured Notes remain in escrow, interest expense of $8.9 million will be incurred by the Escrow Issuers directly.

(ii) Reflects an interest rate of 9.000% on the principal amount of the Senior Notes offered in connection with the Pactiv Transaction of $1,500.0 million. Interest will be paid in dollars. In addition, for each month that funds from the issuance of the Senior Notes remain in escrow, interest of $11.3 million will be incurred by the Escrow Issuers directly.

(iii) Reflects non-cash amortization expense of an assumed aggregate $85.5 million of debt issuance costs associated with the notes offered in connection with the Pactiv Transaction. This non-cash expense has been calculated using the Effective Interest Rate Method.

(iv) The interest rates used for pro forma purposes are based on the assumed rates to be effective upon the closing of the Pactiv Transaction. The interest rate on the New Incremental Senior Secured Credit Facilities is assumed to be 6.25% and 6.5%, respectively, for Term Loans A and D (based on an adjusted LIBOR ($ tranche) floor of 1.75% and a margin of 4.50%, and on an adjusted LIBOR ($ tranche) floor of 1.75% and a margin of 4.75%, respectively, for Term Loans A and D). Each 0.125% change in the assumed interest rates used in the pro forma income statement would change interest expense on the term loans under the Incremental Senior Secured Credit Facilities by $2.5 million in the year ended December 31, 2009, and $1.3 million for each of the six month periods ended June 30, 2009 and 2010.

(v) Reflects non-cash amortization expense with respect to an aggregate $22.0 million of original issue discount and $44.8 million of debt issuance costs associated with the New Incremental Senior Secured Credit Facilities. This non-cash expense has been calculated using the Effective Interest Rate Method.

(vi) Reflects the incremental interest arising on the Existing Senior Secured Credit Facilities as a result of the amendment to such facilities permitting RGHL Group to incur the New Incremental Senior Secured Credit Facilities. Under the terms of the amendment, the interest on the Existing Senior Secured Credit Facilities is increased by 0.5% on each term loan. This additional interest is incremental to the incurrence of the New Incremental Senior Secured Credit Facilities.

(vii) The notes offered in connection with the Pactiv Transaction are denominated in dollars. Lux Issuer will issue a portion of the dollar notes. Even though the RGHL Group presentation currency is the dollar, Lux Issuer maintains its accounting records in euro which is its functional currency. For an explanation of the RGHL Group accounting policies relating to foreign currency translation, refer to note 3 of the RGHL Group audited financial statements. Furthermore, certain intercompany loans within the RGHL Group will arise from the on-lending of a portion of the proceeds from the issuance of the notes offered in connection with the Pactiv Transaction. These loans will be in a currency other than the currency in which Lux Issuer and the borrowers of the intercompany loans maintain their accounting records. Based on historical exchange rate movements, these different currencies result in unrealized foreign exchange (gains) and losses. Under IFRS, these unrealized foreign exchange (gains) and

losses are recognized within the income statement as a component of net financial expenses. Currency markets are volatile and there is no assurance that these results are indicative of the foreign exchange (gains) and losses that will be recognized in future periods.

(g) Represents the net adjustment to income tax (expense) benefit as if the funding for the Pactiv Transaction had been completed as of January 1, 2009. The tax benefit has been calculated using respective local statutory tax rates which range from 28% to 38%. A portion of the pro forma tax benefit arising from the interest expense on the Senior Notes offered in connection with the Pactiv Transaction has not been recognized, as this potential tax benefit will be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset. We have assumed that $750,000,000 of the proceeds of the Senior Notes will be received by RGHL Escrow Issuer (Luxembourg) I S.A. and that $750,000,000 of the proceeds of the Senior Notes will be received by RGHL US Escrow I LLC. These amounts will be finalized prior to issuance of the Senior Notes, at which point between $625,000,000 and $875,000,000 of the proceeds of the Senior Notes will be received by RGHL Escrow Issuer (Luxembourg) I S.A. and between $625,000,000 and $875,000,000 of the proceeds of the Senior Notes will be received by the RGHL US Escrow I LLC. For each additional $10.0 million of the proceeds of the Senior Notes received by the RGHL Escrow Issuer (Luxembourg) I S.A., the pro forma tax benefit will reduce by approximately $0.34 million. For each additional $10.0 million of the proceeds of the Senior Notes received by RGHL US Escrow I LLC, the pro forma tax benefit will increase by approximately $0.34 million.

(7) Adjustments for the Pactiv Acquisition

This adjustment is comprised of:

- the Pactiv Acquisition;
- preliminary fair value adjustments with respect to the acquisition of Pactiv by the RGHL Group; and
- the repayment or release of certain Pactiv external borrowings, which the RGHL Combined Group will repay or redeem in connection with the Pactiv Transaction.

(a) Represents the net adjustment to cash, calculated as follows:

	(In $ millions)
Purchase consideration to acquire Pactiv(i)	$ (4,637.0)
Repayment of certain Pactiv external borrowings(ii)	(750.0)
Change in control payments for existing Pactiv external borrowings(iii)	(5.0)
Change in control payments to existing Pactiv management(iv)	(58.0)
Payment of the estimated fees and expenses(v)	(123.7)
Net adjustment to cash	**$ (5,573.7)**

(i) Under the terms of the Pactiv Acquisition, Pactiv shareholders will receive $33.25 in cash for each share of Pactiv common stock they own at the effective time of the Pactiv Acquisition, representing purchase consideration of $4,637.0 million.

(ii) Represents the full repayment of certain Pactiv external borrowings with a principal value of $750.0 million. Assumes that all of the Pactiv 2012 Notes and Pactiv 2018 Notes are repurchased in connection with the Pactiv Acquisition. To the extent the Pactiv 2012 Notes and the Pactiv 2018 Notes remain outstanding, we do not expect to repurchase them as part of the Pactiv Transaction.

(iii) Represents the change of control payments expected to be required in respect of certain Pactiv external borrowings that are assumed to be repaid in connection with the Pactiv Transaction.

(iv) Represents the estimated change of control payments expected to be paid to Pactiv's management in connection with the Pactiv Acquisition.

(v) Represents the estimated fees and expenses associated with the Pactiv Acquisition, including advisory fees, other transaction costs and other professional fees.

(b) Represents the elimination of $2.1 million of current trade receivables and payables in respect of balances between the RGHL Group and Pactiv.

(c) Represents the net decrease in current borrowings, calculated as follows:

	(In $ millions)
Repayment of the current portion of existing Pactiv borrowings(i)	$ (250.0)
Net adjustment to current borrowings	**$ (250.0)**

(i) Represents the repayment of certain Pactiv current external borrowings with a principal value of $250.0 million to be repaid in connection with the Pactiv Transaction.

	(In $ millions)
Repayment of the non-current portion of existing Pactiv borrowings(i)	$ (500.0)
Fair value adjustment to existing Pactiv borrowings that will be assumed(ii)	(37.0)
Unamortized debt issue costs and original issue discounts written off on repayment of existing Pactiv borrowings(iii)	3.6
Net adjustment to non-current borrowings	**$ (533.4)**

(d) Represents the net decrease in non-current borrowings, calculated as follows:

(i) Represents the repayment of certain Pactiv non-current external borrowings with a principal value of $500.0 million to be repaid in connection with the Pactiv Transaction.

(ii) Represents the fair value adjustment to existing Pactiv borrowings as of August 31, 2010. Each $10.0 million change in this fair value adjustment would change the semi-annual interest expense by $0.4 million and the annual interest expense by $0.8 million.

(iii) Represents the unamortized debt issue costs and original issue discounts in respect of the existing Pactiv borrowings to be repaid in connection with the Pactiv Transaction.

(e) Represents the net adjustment to share capital, comprising:

	(In $ millions)
Elimination of Pactiv U.S. GAAP pre-acquisition share capital	$ (736.0)
Net adjustment to share capital	**$ (736.0)**

(f) Represents the net adjustment to equity reserves, comprising:

	(In $ millions)
Elimination of Pactiv pre-acquisition reserves	$ 1,708.0
Net adjustment to equity reserves	**$ 1,708.0**

(g) Represents the net adjustment to retained earnings, comprising:

	(In $ millions)
Elimination of Pactiv pre-acquisition retained earnings	$ (2,104.0)
Elimination of adjustments to Pactiv pre-acquisition retained earnings associated with U.S. GAAP to IFRS adjustments	1.3
Other transaction fees and expenses(i)	(77.2)
Net adjustment to retained earnings	**$ (2,179.9)**

(i) Represents fees and expenses incurred by RGHL Group in respect of the Pactiv Transaction that are not deferred as part of debt issue costs, including bridge funding expense and acquisition costs, net of the estimated tax benefit.

(h) Represents the elimination of historical intercompany sales and cost of sales between the RGHL Group and Pactiv, calculated as follows:

	For the Year Ended December 31,	For the Six Months Ended June 30,	
	2009	2009	2010
	(In $ millions)		
Revenue	$ (21.3)	$ (12.3)	$ (13.0)
Cost of sales	21.3	12.3	13.0
Gross profit	$ —	$ —	$ —

(i) Represents the adjustment to net financial expenses as if the Pactiv Transaction had been completed as of January 1, 2009, comprising:

	For the Year Ended December 31,	For the Six Months Ended June 30,	
	2009	2009	2010
	(In $ millions)		
Elimination of historical interest on Pactiv external borrowings(i)	$ 31.2	$ 15.6	$ 15.7
Amortization of fair value adjustment to existing Pactiv borrowings(ii)	(1.9)	(1.0)	(1.0)
Net adjustment to financial expenses	**$ 29.3**	**$ 14.6**	**$ 14.7**

(i) Represents the effect of the repayment of certain Pactiv external borrowings with a principal value of $750.0 million to be repaid in connection with the Pactiv Transaction.

(ii) Represents additional non-cash interest expense on the amortization of the fair value adjustment described in note (j) (vi) below to existing Pactiv borrowings that remain outstanding following the Pactiv Transaction. Each $10.0 million change in this fair value adjustment would change the semi-annual interest expense by $0.4 million and the annual interest expense by $0.8 million.

(j) Represents the fair value adjustments required on acquisition of Pactiv by the RGHL Group.

The acquisition of Pactiv by the RGHL Group is an acquisition of a business from third parties. Accordingly, IFRS requires that the RGHL Group recognize the identifiable assets acquired and liabilities assumed as part of the Pactiv Acquisition at their fair values. Goodwill is then recognized and measured with reference to the excess of the consideration paid over the net of the identifiable assets acquired and liabilities assumed measured at their fair values.

We have completed a preliminary evaluation study to identify the material fair value adjustments required as they relate to the unaudited historical consolidated balance sheet of Pactiv as of June 30, 2010, the unaudited historical consolidated income statement for the six months ended June 30, 2009 and 2010 and the audited historical consolidated income statement for year ended December 31, 2009. The procedures performed did not include preparation of a full assessment of all of the fair value adjustments that may be required upon the completion of the Pactiv Acquisition which may differ from the information presented, and our auditors have not reviewed or audited our fair value adjustments evaluation.

Based on our preliminary evaluation, for the purposes of presenting the unaudited pro forma financial information, we have made the fair value adjustments described below. The following table presents the calculation of preliminary goodwill arising from the Pactiv Acquisition.

	(In $ millions)	
Cost of acquisition(i)		**$ 4,637.0**
Less estimated book value of assets acquired and liabilities assumed:		
Historical U.S. GAAP book value of assets acquired and liabilities assumed(ii)	1,146.0	
Less Pactiv existing U.S. GAAP goodwill(ii)	(1,232.0)	
Adjustment to total equity to reflect U.S. GAAP to IFRS adjustments(iii)	0.5	
Minority interest(ii)	(15.8)	
RGHL share of the IFRS book value of identifiable assets acquired and liabilities assumed		(101.3)
Cost of acquisition in excess of book value of identifiable assets acquired and liabilities assumed		4,738.3
Fair value adjustments		
Other assets — non-current(iv)	(34.1)	
Inventory(v)	79.6	

Borrowings(vi)	37.0	
Property, plant and equipment(vii)	226.0	
Identifiable intangible assets(viii)	2,764.3	
Estimated change of control payments to Pactiv management(ix)	(58.0)	
Change of control liability and write-off of deferred debt issuance costs on existing Pactiv debt that is being repaid in connection with the Pactiv Transaction(x)	(8.6)	
Employee benefits(xi)	(468.8)	
Provisions — onerous contracts (xii)	(11.0)	
Deferred tax liability (xiii)	(937.3)	
Less fair value adjustments to the identifiable assets acquired and liabilities assumed		1,589.1
Goodwill arising from the Pactiv Acquisition		**$ 3,149.2**

(i) Under the terms of the Pactiv Acquisition, Pactiv shareholders will receive $33.25 in each for each share of Pactiv Corporation they own at the effective time of the Pactiv Acquisition, representing purchase consideration of $4,637.0 million.

(ii) As per Pactiv's unaudited consolidated balance sheet as of June 30, 2010.

(iii) Adjustment to Pactiv's June 30, 2010, total equity arising from U.S. GAAP to IFRS adjustments as described above in note 5.

(iv) Reflects the preliminary fair value adjustment to reduce other assets by $34.1 million in respect of historical deferred derivative losses in connection with the remeasurement of borrowings to fair value at the date of acquisition.

(v) Reflects the preliminary fair value adjustment to increase inventory by $79.6 million based on our preliminary assessment as of June 30, 2010.

(vi) Reflects the preliminary fair value adjustment to reduce by $37.0 million Pactiv's borrowings that will remain outstanding post-acquisition. The estimated June 30, 2010 fair value adjustment has been determined using quoted market prices as of August 31, 2010. Each $10.0 million change in this fair value adjustment would change the semi-annual interest expense by approximately $0.4 million and the annual interest expense by approximately $0.8 million.

(vii) Reflects the preliminary fair value adjustment to property, plant and equipment. For the purpose of the pro forma income statements, depreciation has been calculated based on the revised fair value using the remaining estimated average useful lives of each class of asset. A change in the remaining estimated average useful lives of each class of property, plant and equipment would change depreciation expense. An increase of one year in the remaining estimated average useful lives would decrease depreciation expense by $11.3 million in the year ended December 31, 2009, and $5.7 million for each of the six month periods ended June 30, 2009 and 2010. A decrease of one year would increase depreciation expense by $14.7 million in the year ended December 31, 2009, and $7.4 million for each of the six month periods ended June 30, 2009 and 2010.

(viii) Reflects the preliminary fair value adjustments to identifiable intangible assets to reflect the value of trade names, customer relationships, technology, distributor relationships and permits. For the purpose of the pro forma income statements, amortization has been calculated based on the estimated average useful lives of the definite life intangible assets recognized on acquisition. A change in the remaining estimated average useful lives of each class of intangible asset would change amortization expense. An increase of one year in the remaining estimated average useful lives would decrease amortization expense by $6.9 million in the year ended December 31, 2009, and $3.5 million for each of the six month periods ended June 30, 2009 and 2010. A decrease of one year would increase amortization expense by $5.2 million in the year ended December 31, 2009, and $2.6 million for each of the six month periods ended June 30, 2009 and 2010.

Type of Identifiable Intangible Assets	Preliminary Fair Value	Estimated Useful Life
	(In $ millions)	
Trade names	$ 1,725.0	Indefinite
Customer relationships	1,029.0	20 to 25 years
Technology	184.0	5 to 10 years
Distributor relationships	129.0	20 to 25 years
Permits	85.0	Indefinite
Preliminary fair value of identifiable intangible assets	3,152.0	
Less existing intangible assets (excluding goodwill) after U.S. GAAP to IFRS adjustment	(387.7)	
Total	**$ 2,764.3**	

Pactiv's historical depreciation and amortization charge has been adjusted in the pro forma income statements due to the fair value adjustments associated with property, plant and equipment and intangible assets with definite lives. To recognize the transaction as if it had been completed as of January 1, 2009, depreciation and amortization expense would increase in the pro forma combined income statements for the year ended December 31, 2009, and for the six months ended June 30, 2009 and 2010, as follows:

	For the Year Ended December 31, 2009	For the Six Months Ended June 30,	
		2009	2010
	(In $ millions)		
Intangible assets (excluding goodwill)	$ 40.1	$ 19.8	$ 23.3
Property, plant and equipment	(52.6)	(26.3)	(26.4)
Total	$ (12.5)	$ (6.5)	$ (3.1)
Recognized in:			
Cost of sales	$ 2.8	$ 2.6	$ 2.0
General and administrative expenses	(15.3)	(9.1)	(5.1)
Total	$ (12.5)	$ (6.5)	$ (3.1)

(ix) Reflects the preliminary fair value adjustment to recognize estimated liabilities to Pactiv's management arising from the Pactiv Acquisition. The total adjustment of $58.0 million comprises severance, bonus, pension and other liabilities resulting from the change in control.

(x) Reflects the preliminary fair value adjustment to recognize change in control premiums of $5.0 million and to write-off deferred debt issuance costs of $3.6 million associated with the Pactiv debt that is being repaid in connection with the Pactiv Transaction.

(xi) Reflects the preliminary actuarially determined net adjustment to increase Pactiv's pension plan net liability, reflecting June 30, 2010 discount rates, plan asset values and employee data.

(xii) Reflects the preliminary assessment of the fair value of the liability associated with certain onerous contractual arrangements which are contractual arrangements with terms less favorable to Pactiv than current market terms.

(xiii) Reflects the tax effect of the above preliminary fair value adjustments determined using a statutory tax rate of 37%.

(k) Represents the net adjustment to income tax (expense) benefit as a result of the above adjustments. The tax adjustment has been calculated using Pactiv's assumed statutory tax rate of 37%.

(8) RGHL Combined Group Depreciation and Amortization

The income statement includes both cost of sales and general and administration expenses, and included in each of these line items are depreciation and amortization expense. The following table presents the calculation of the pro forma depreciation and amortization expense derived from the applicable accounting records for the respective time periods:

	For the Year Ended December 31, 2009	For the Six Months Ended June 30,	
		2009	2010
	(In $ millions)		
RGHL Group	$ 501.7	$ 243.3	$ 229.0
Pactiv	197.4	99.0	99.5
Total for the period	$ 699.1	$ 342.3	$ 328.5

(9) Borrowings

The following table identifies the components of our current and non-current borrowings.

	(In $ millions)
New Incremental Senior Secured Credit Facilities(i)	$ 1,953.2
Existing Senior Secured Credit Facilities(ii)	2,061.4
Notes offered in connection with the Pactiv Transaction(iii)	2,914.5
7.750% Senior Secured Notes due 2016(iv)	1,596.7
8.5% Senior Notes due 2018(v)	981.8
8% Senior Notes due 2016(vi)	569.6
Existing Pactiv Indebtedness(vii)	737.1

9.5% Senior Subordinated Notes due 2017(viii)	497.7
Finance lease obligations	25.8
Other borrowings	7.5
Total borrowings	$ 11,345.3
Current borrowings	132.6
Non-current borrowings	11,212.7
Total borrowings	**$ 11,345.3**

(i) Reflects the proceeds from the New Incremental Senior Secured Credit Facilities in aggregate principal amount of $2,020.0 million, net of $22.0 million of original issue discount and $44.8 million of debt issuance costs.

(ii) Reflects the balances outstanding under the Existing Senior Secured Credit Facilities in principal amounts of term tranches of $1,028.5 million, €246.9 million and $800.0 million, net of $17.6 million of original issue discount and $51.2 million of unamortized debt issuance costs.

(iii) Reflects the proceeds from the notes offered in connection with the Pactiv Transaction in aggregate principal amount of $3,000.0 million, net of the assumed $85.5 million of debt issuance costs.

(iv) Reflects the proceeds from the 2009 Notes of $1,125.0 million and €450.0 million, net of $20.3 million of original issue discount and $71.1 million of unamortized debt issuance costs plus $13.2 million of embedded derivatives.

(v) Reflects the proceeds from the May 2010 Notes of $1,000 million, net of $27.6 million of unamortized debt issuance costs, plus $9.4 million of embedded derivatives.

(vi) Reflects the €480.0 million senior notes, net of $17.0 million of unamortized debt issuance costs.

(vii) Reflects the Pactiv indebtedness at June 30, 2010, less amounts repaid in connection with the Pactiv Transaction, net of unamortized debt issuance costs and original issue discounts.

(viii) Reflects the €420.0 million senior subordinated notes, net of $15.5 million of unamortized debt issuance costs.

Our total indebtedness of $11,764.4 million includes (i) total interest bearing borrowings of $11,345.3 million, (ii) derivative liabilities of $11.5 million, (iii) bank overdrafts of $13.8 million, (iv) debt issuance costs and original issue discounts of $379.4 million and (v) embedded derivative assets of $22.6 million and (vi) preliminary fair value adjustments of $37.0 million.

RGHL GROUP OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with the historical financial statements of the RGHL Group and the notes thereto and the unaudited pro forma combined financial statements and the notes thereto. The following discussion and analysis also includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements with respect to the RGHL Group's actual results. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this information statement. See "Special Note of Caution Regarding Forward-Looking Statements" and "Risk Factors."

Overview

Reynolds Group Holdings Limited was incorporated under the Companies Act 1993 of New Zealand on May 30, 2006. The RGHL Group is a leading global manufacturer and supplier of consumer food and beverage packaging and storage products. The RGHL Group operates through five segments (SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice) that it acquired in a series of transactions, the latest of which was the Reynolds Foodservice Acquisition. The SIG segment manufactures a broad range of innovative, high quality aseptic beverage carton packaging primarily for the non-carbonated soft drinks (e.g., juices) and the liquid dairy (e.g., milk) segments. Aseptic carton packaging, most prevalent in Europe and Asia, is designed to allow beverages or liquid food to be stored for extended periods without refrigeration. The Evergreen segment manufactures an extensive range of high quality fresh carton packaging primarily for the non-carbonated soft drinks (e.g., juices) and the liquid dairy (e.g., milk) segments. 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. The Reynolds Consumer segment manufactures, primarily for the customers in the United States, a comprehensive range of consumer foil, wraps and bags under its well-recognized Reynolds brand and its store branded products. The Closures segment manufactures, globally, a broad range of innovative, high quality beverage caps and closures, primarily for the carbonated soft drinks (e.g., cola), non-carbonated soft drinks (e.g., sports drinks) and bottled water segments. The Reynolds Foodservice segment manufactures, primarily for North America, a comprehensive range of clear plastics, plastic film, paper and aluminum packaging products. We believe each segment derives a majority of its sales from products in which we estimate it has market leading positions.

The SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments have been under common ownership and control through entities ultimately 100% owned by Graeme Hart, the RGHL Group's strategic owner, for over two years. These entities, however, 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 consummation of the RGHL Transaction on November 5, 2009, the Evergreen Transaction on May 4, 2010 and the Reynolds Foodservice Acquisition on September 1, 2010.

The RGHL Group has determined that the acquisitions by Reynolds Holdings of the SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice businesses constitute business combinations of entities under common control. IFRS is silent on the accounting required for business combinations involving entities that are under common control. Accordingly, the RGHL Group has chosen to account for the acquisitions of Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice, which were acquired from entities under the common control of its ultimate shareholder, Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying values of the assets and liabilities of the businesses acquired. The excess of the purchase prices over the consolidated carrying values of the share capital acquired is recognized as a reduction to equity.

The RGHL Group accounts for business combinations under common control prospectively from the date that a single company originally obtained control of the businesses. Therefore, the acquisitions of Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice have been accounted for under the principle of common control and all the prior periods presented in the accompanying financial statements have been recast to include their results of operations.

Accounting Principles

The RGHL Group's financial statements are prepared in accordance with IFRS.

Reporting Currency

IFRS does not require that the RGHL Group's financial reporting be presented in a particular currency. The consolidated financial statements of the RGHL Group are currently presented in dollars which is the reporting currency of its group. In accordance with IAS 21, the figures are translated from the functional currency of a given entity into dollars using the following principles: (a) the assets and liabilities for each statement of financial position are translated at the closing rate as of the reporting date, (b) income and expense items for each profit or loss item are translated at average exchange rates during the period and (c) items of other comprehensive income are translated at average exchange rates during the period.

Segment Reporting

The RGHL Group currently reports its financial results in five segments: SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice. IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of its combined operations that are regularly reviewed by its Chief Operating Decision Maker ("CODM") in order to allocate resources to the applicable segment and to assess its performance. The RGHL Group CODM are the officers and directors of RGHL. Information reported to the RGHL Group's CODM is for the purposes of resource allocation and assessment of segment performance.

Critical Accounting Policies

The RGHL Group's critical accounting policies are those that it believes are most important to the presentation of its financial position and results and that require the most difficult, subjective or complex judgments. In many cases, the accounting treatment of a particular transaction is specifically dictated by IFRS with no need for the application of judgment. For more information, see note 3 to its financial statements. In certain circumstances, however, the preparation of its financial statements in conformity with IFRS requires the RGHL Group to use its judgment to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The RGHL Group believes the policies described below are the RGHL Group's most critical accounting policies.

Accounting for Business Combinations

Acquisition of Businesses from Third Parties

The RGHL Group accounts for business combinations, where the business is acquired from an unrelated third party, under the purchase method of accounting. The excess of the purchase price over the fair value of tangible assets and liabilities acquired is allocated first to the fair value of identifiable intangible assets. The remaining purchase price is then allocated to goodwill.

Goodwill and acquired indefinite life intangible assets are not amortized. Other acquired intangible assets with finite lives are amortized on a straight line basis over the period of expected benefit. For more information, see note 3.9(g) to the RGHL Group's financial statements.

The results of operations for businesses acquired are included in the RGHL Group's financial statements from the date of acquisition.

The allocation of the purchase price to the fair value of acquired assets and liabilities involves assessments of the expected future cash flows associated with individual assets and liabilities and appropriate discount rates at the date of the acquisition.

Subsequent changes in the RGHL Group's assessments may trigger an impairment loss that would be recognized in the statement of comprehensive income.

For more information, see note 23.1 to the RGHL Group's financial statements.

Acquisition of Businesses from Entities under Common Control

IFRS is silent on the accounting required for business combinations involving entities that are under common control.

The RGHL Group has chosen to account for business combinations where the business is acquired from an entity that is under the common control of its ultimate shareholder using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities of the business acquired. The excess of the purchase price over the carrying value of the share capital acquired is recognized directly in equity. No additional goodwill is recognized as a result of these transactions.

The RGHL Group accounts for business combinations under common control prospectively from the date Graeme Hart, its strategic owner, originally obtained control of each of the businesses presented.

Income Taxes

The RGHL Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the RGHL Group's worldwide provision and liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The RGHL Group recognizes liabilities for tax issues based on estimates of whether additional taxes will be due and on the RGHL Group's best interpretation of the relevant tax laws then in effect. In cases where the final outcome of these tax matters is different from the amounts that were initially recorded, the differences impact the current and deferred income tax provision for the period in which the determination is made.

The RGHL Group recognizes deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. This is based on estimates of taxable income in each jurisdiction in which we operate and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates in future periods and depending on the tax strategies that it may have been able to implement, changes to the recognition of deferred tax assets could be required, and thus could impact its financial position and results of operations.

Provisions

The RGHL Group recognizes a provision in the statement of financial position when it has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

As a result of recent business disposals, the RGHL Group has provided for certain warranties and indemnities to the purchasers of these businesses. As a result of these contractual obligations, the RGHL Group has estimated the probable outflow that will be required to settle specific matters. The determination of these provisions requires an assessment as to the likelihood and magnitude of a particular claim and the expected timing of any payment. For more information, see note 28 to the RGHL Group's financial statements.

Employee Benefits — Post-Employment Benefit Obligations

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the applicable employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the RGHL Group to make certain assumptions regarding variables such as discount rate, rate of compensation increase, return on assets and future healthcare costs. The RGHL Group consults with third-party actuaries regarding these assumptions at least annually. Changes in these key assumptions, including the market value of the assets associated with these obligations, can have a significant impact on its defined benefit obligations, future funding requirements and post-employment benefit costs recognized. While the RGHL Group believes that its assumptions of future returns are reasonable and appropriate, significant differences in actual experience or inaccuracies in assumptions may materially affect its benefit plan obligations and future benefit plan expense. For more information, see note 27 to the RGHL Group's financial statements.

Accounting for the Sale of Filling Machines

The RGHL Group's business involves the supply of filling systems which combine the provision of a filling machine with committed future sales of carton sleeves based on volume. The RGHL Group uses three primary methods to supply filling machines to customers. The filling machine may be (i) sold directly to the customer, (ii) leased directly to the customer or (iii) sold to a third party who then leases it to the customer. The supply of a filling machine will usually be accompanied by a commitment on the part of the applicable customer to purchase carton sleeves for an initial term limited to six years.

The initial supply of a filling machine, whether by sale, lease or third-party lease, and the subsequent sale of carton sleeves represent a linked transaction.

The difference between the sale price of a filling machine and the cost of manufacturing such machine is capitalized as an intangible asset (rights to supply) and amortized over the term of the applicable carton sleeve contract. At each reporting date, the unamortized balance is reviewed to assess whether it will be recovered from the projected gross margin of estimated future carton sleeve sales. Any write down in the recoverable amount of this intangible asset is recognized in the statement of comprehensive income for the current period.

The RGHL Group recognizes revenue upon the sale of a filling machine to a third-party finance company. In the event that the end-user becomes insolvent, the RGHL Group has an obligation under some contracts to buy back the applicable filling machine from the third-party finance company at a residual price. To date, the RGHL Group has never been required to buy back a filling machine due to customer insolvency.

Impairment of Goodwill, Intangible Assets and Property, Plant and Equipment

The RGHL Group assesses the carrying values of goodwill, identifiable intangible assets and property, plant and equipment and investment properties in accordance with the requirements of IFRS. Goodwill and intangibles with indefinite useful lives are assessed for impairment at least annually. Other non-current assets are tested when a trigger event may indicate the existence of impairment. If any such indication of impairment exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs to sell such an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The carrying value of an asset or cash-generating unit on the RGHL Group's statement of financial position cannot exceed its recoverable amount.

In estimating future cash flows, the RGHL Group makes estimates with respect to the useful lives of its assets. Changes in circumstances, including the relative cost efficiency of its production facilities, may cause the RGHL Group to change these estimates from time to time. In addition, because these are estimates, the actual useful life of an asset may be different from its estimate.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Impairment losses, other than with respect to goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

As of June 30, 2010, the RGHL Group had $4,888.6 million of goodwill, other intangible assets, property, plant and equipment and investment properties recorded on the RGHL Group's statement of financial position. Any impairment in the value of goodwill, intangible assets, property, plant and equipment and investment properties would result in a reduction in the carrying value in the statement of financial position and an expense recognized in the RGHL Group's statement of comprehensive income. For the year ended December 31, 2009, the RGHL Group recognized $10.7 million of impairment charges on investment property in the United Kingdom, Switzerland and Germany and on property, plant and equipment.

Key Factors Influencing the RGHL Group's Financial Condition and Results of Operations

Acquisitions, Substantial Leverage and Other Transaction-Related Effects

The RGHL Group's results of operations and financial position were significantly impacted by the effects of the Initial Evergreen Acquisition, the SIG Acquisition, the Reynolds Acquisition, the RGHL Transaction, the Evergreen Transaction, which included the acquisition of the Whakatane Paper Mill, and the Reynolds Foodservice Acquisition.

In January 2008, in anticipation of the Reynolds Acquisition, Rank Group (a related entity) entered into derivative instruments to purchase aluminum at fixed prices in the future. These purchases were based on the hedging policy employed by Reynolds Consumer's former owner prior to the Reynolds Acquisition. Shortly after the completion of the Reynolds Acquisition, the commodity swaps were novated to Reynolds Consumer. Between the time Rank Group entered into the derivative instruments and the time it novated them to Reynolds Consumer, aluminum spot prices had increased materially and the derivative instruments had a fair market value of $32.8 million. The novation was effected at this fair market value and, as a result, Reynolds Consumer recognized a derivative financial asset of this amount. In respect of the novated derivative instruments which expired prior to December 31, 2008, the fair value of these instruments was fully reflected in cost of sales on a similar basis as the underlying aluminum purchases prior to that time.

In connection with the Initial Evergreen Acquisition, the SIG Acquisition and the Reynolds Acquisition, the RGHL Group has recognized goodwill that as of June 30, 2010 was $1,629.8 million. Although goodwill is not subject to amortization under IFRS, it is subject to impairment tests at least annually. As significant portions of the purchase prices have been allocated to identifiable tangible and intangible assets, the RGHL Group's depreciation and amortization expenses are significantly higher than the amounts recognized before the Initial Evergreen Acquisition, the SIG Acquisition or the Reynolds Acquisition.

The Initial Evergreen Acquisition, the SIG Acquisition and the Reynolds Acquisition were financed with significant borrowings. The RGHL Transaction, completed in November 2009, and the Evergreen Transaction, completed in May 2010, also involved additional borrowings. The condensed financial statements have been recast to account for business combinations involving entities under common control; however, the condensed statements of financial performance for the six months ended June 30, 2010 and 2009 reflect the interest and associated costs related to the RGHL Transaction and the Evergreen Transaction from the date of closing of such transactions. In addition, the financing of the RGHL Transaction involved the refinancing of borrowings originally drawn to fund the SIG Acquisition and the Reynolds Acquisition. Accordingly, the RGHL Group's condensed financial statements for periods prior to the RGHL Transaction and Evergreen Transaction are not comparable to results for subsequent periods. See "— Critical Accounting Policies" and "— Liquidity and Capital Resources".

As of June 30, 2010, the RGHL Group had total borrowings of $5,714.7 million. For more information regarding the RGHL Group's external borrowings, refer to note 15 of the RGHL Group's interim unaudited condensed financial statements. The RGHL Group's future results of operations, including its net financial expenses, will be significantly affected by its substantial indebtedness. The servicing of this indebtedness has and will continue to impact its cash flows and cash balance. Refer to the "Liquidity and Capital Resources" section.

Discontinued Operations

The RGHL Group has disposed of a number of business operations during the periods under review. Some of these disposals have constituted discontinued operations. Under IFRS 5, the RGHL Group is required to present and disclose information that enables users of its financial statements to evaluate the financial impact of discontinued operations and disposals of non-current assets. In general terms, a discontinued operation is a component that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line or geographical area of operations.

During December 2007, SIG announced the disposal of the SIG Beverages business which was completed on April 2, 2008.

For the year ended December 31, 2008, the profit from discontinued operations, net of income tax, was $44.0 million, which included a $37.7 million gain, net of income tax, on the sale of SIG Beverages.

In accordance with IFRS 5, these operations are treated as discontinued operations for all periods presented.

Restructuring and Cost Saving Programs

The RGHL Group has completed a number of restructuring and cost saving programs over the past three years in order to reduce its operating costs. In addition, it currently has programs underway focused on raw material cost improvements and restructuring the RGHL Group's management.

The RGHL Group's restructuring and cost saving programs have included the following initiatives with respect to the indicated segments:

- Workforce reductions (SIG; Evergreen; Reynolds Consumer; Closures; Reynolds Foodservice);
- Consolidation of facilities (Evergreen; Reynolds Consumer; Closures; Reynolds Foodservice);
- Rationalization of certain product lines (SIG; Reynolds Consumer; Reynolds Foodservice);
- Divestiture of non-core businesses (Reynolds Consumer; Reynolds Foodservice);
- Streamlining of research and development activities (Reynolds Consumer);
- Streamlining of corporate overhead (SIG; Evergreen; Reynolds Consumer; Closures); and
- Reduction of raw material costs (SIG; Evergreen; Reynolds Consumer; Closures; Reynolds Foodservice).

As part of the restructuring and cost saving programs, the RGHL Group recorded restructuring costs which have decreased EBITDA by $57.9 million for the year ended December 31, 2009 as compared to $78.9 million for the year ended December 31, 2008. For the six month period ended June 30, 2010, restructuring costs decreased EBITDA by $3.5 million as compared to $28.1 million for the six month period ended June 30, 2009. For additional information regarding the EBITDA and Adjusted EBITDA measures used by management, please see note 6 to the RGHL Group's financial statements. Though we do not know the extent or exact types of restructuring costs that will be incurred, we expect that the RGHL Group will incur further restructuring costs in 2010.

Raw Materials and Energy Prices

The RGHL Group's results of operations in the past have been, and will continue to be in the future, impacted by changes in the costs of raw materials, including raw cartonboard, fiber, PE and PP resins, commodity chemicals, aluminum, steel and components for filling machines, and the costs of energy, including fuel oil, electricity, natural gas and coal. The prices for raw materials can fluctuate significantly, particularly PE and PP resins and aluminum.

SIG

A number of SIG's contracts do not provide for price adjustment mechanisms that allow it to pass-through changes in raw material prices to its customers. Due to differences in timing between SIG's sales to its customers and purchases of raw materials from its suppliers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices. With the exception of raw cartonboard and some aluminum hedging, SIG purchases most of its raw materials based on spot market prices and generally cannot immediately pass on price increases to its customers. Similarly, SIG is not immediately obligated to pass on favorable changes in raw material prices to its customers.

For example, between 2004 and 2008, SIG's results were adversely impacted by the worldwide increase in PE resin prices, which reached a record high in September 2008. PE resin prices subsequently declined between November 2008 and February 2009 then increased during the rest of 2009. Aluminum prices increased from the beginning of 2006 through the middle of 2007 before declining through the end of 2007. From the beginning of 2008, aluminum prices increased significantly, peaking in the middle of 2008, before significantly decreasing through the end of 2008 and the beginning of 2009. Aluminum prices stabilized in early 2009 before increasing again through the remainder of 2009 and the first half of 2010. The volatility in aluminum prices was partially offset since the fourth quarter of 2009 by SIG's fixed rate purchasing agreements. In 2009, the prices for SIG's carton board increased slightly in line with inflation as compared to 2008, and in the first half of 2010 prices were on the same level as 2008.

Evergreen

Evergreen's results of operations have in the past been, and will continue to be in the future, impacted by changes in the costs of raw materials, including fiber, PE resin and commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal.

Changes in raw materials prices may impact both revenue and cost of sales. Revenue is directly impacted by changes in raw material prices as a result of contractual cost pass-through mechanisms. Raw materials costs and energy costs account for a significant

portion of Evergreen's cost of sales. The prices for inputs can fluctuate significantly, particularly those for energy and petroleum-based chemicals like polyethylene and latex. Evergreen purchases most of its raw materials on the spot market and generally cannot immediately pass on price increases to its customers. Similarly, Evergreen is not immediately obligated to pass on favorable changes in raw material prices to its customers. Evergreen has taken steps to minimize the impact of the volatility of raw material prices through financial hedging, fixed supplier pricing and reducing the lag time in contractual customer pass-through price mechanisms. While Evergreen has moved a number of customers to index-based cost pass-through contracts, some of Evergreen's ability to recover input cost movement is limited, due to annualized fixed price sales contracts and to market acceptance of pass-through pricing, which usually occurs on a quarterly to yearly basis.

Reynolds Consumer

Reynolds Consumer's results of operations have been in the past, and will continue to be in the future, impacted by changes in the cost of raw materials, including aluminum and resin. Changes in raw materials prices may impact both revenue and cost of sales. Revenue is directly impacted by changes in raw material prices as a result of contractual cost pass-through mechanisms, primarily for resin. Revenue is also impacted by changes in volume caused by price elasticity. Reynolds Consumer has historically used and expects to continue to use in the future derivative instruments to hedge, and cost pass-through mechanisms to manage, its exposure to raw materials costs. The realized gains or losses arising under the RGHL Group's derivative instruments are recognized in cost of sales while the unrealized gains or losses associated with its derivative contracts are recognized in other income/expenses. For a discussion of Reynolds Consumer's aluminum hedging policy see "— Key Factors Influencing the RGHL Group's Financial Condition and Results of Operations — Aluminum Hedging" below.

Reynolds Consumer primarily uses aluminum in its Reynolds Branded business. In respect of aluminum foil products sold under the Reynolds brand name, Reynolds Consumer's contracts with its customers do not contain contractual price protection for raw materials cost fluctuations. Aluminum prices increased from the beginning of 2006 through the middle of 2007 before declining through the end of 2007. From the beginning of 2008, aluminum prices increased significantly, peaking in the middle of 2008, before significantly decreasing through the end of 2008 and the beginning of 2009. Aluminum prices stabilized in early 2009 before increasing again through the remainder of 2009 and have fluctuated during the first half of 2010.

Reynolds Consumer uses resin primarily in its Store Branded products and, as a result, Reynolds Consumer is subject to fluctuations in resin prices. During 2007 and 2008, Reynolds Consumer's results were negatively impacted by higher resin prices globally, which reached record highs in September 2008. This impact, however, was partially offset by sales of Reynolds Consumer's resin-based Store Branded products that are sold under agreements that have resin cost pass-through mechanisms (approximately 60% by dollar volume). Resin prices declined from November 2008 to February 2009, then increased during the rest of 2009. This trend continued until May 2010, when demand for PE resin began to weaken. Accordingly, Reynolds Consumer's earnings have tracked fluctuations in resin prices to a lesser extent than its net revenue.

Closures

Closures' results of operations are substantially impacted by changes in the cost of raw materials, including resin and aluminum. Changes in raw material prices may impact both revenue and cost of sales. Revenue is directly impacted by raw material cost price-adjustment mechanisms primarily for resin and also impacted by changes in volume caused by price elasticity. Raw material costs represent 55% of Closures' cost of sales. The prices for raw materials can fluctuate significantly, particularly resin, which historically has been correlated with oil prices. Closures purchases most of its raw materials based on spot market prices, which are tied to published indices. The majority, by volume, of Closures' contracts with its customers contain price adjustments based on fluctuations in certain raw materials. Closures, however, generally cannot immediately pass on price increases to its customers because the contractual price adjustments do not occur simultaneously with such market price increases, but rather on a quarterly, monthly or some other basis. During 2007 and 2008, Closures' results were adversely impacted by the worldwide increase in resin prices, which reached record highs in the fall of 2008. Resin prices then declined until February 2009 and then were stable for a number of months before starting to increase in the second half of 2009. Resin prices through the first half of 2010 had been significantly higher than in 2009 and then stabilized in the third quarter of 2010.

Reynolds Foodservice

Reynolds Foodservice's results of operations have been in the past, and will continue to be in the future, impacted by changes in the cost of raw materials, including aluminum and resin. Changes in raw materials prices may impact both revenue and cost of sales. Revenue is directly impacted by changes in raw material prices as a result of cost pass-through mechanisms. The prices of Reynolds Foodservice's raw materials fluctuate with market movements for commodities. The principal raw materials used are plastic resins, particularly polystyrene ("PS"), polyethylene terephthalate ("PET"), and polyvinyl chloride ("PVC") as well as aluminum, steel and

paper. In 2009, raw materials were approximately 66% of Reynolds Foodservice's cost of sales, excluding depreciation and amortization. Plastic resins accounted for approximately 57% of Reynolds Foodservice's raw material costs, while aluminum, steel, paper and other accounted for approximately 43%. The prices of plastic resins are affected by the prices of crude oil and natural gas, as well as supply and demand factors of various intermediated petrochemicals. Reynolds Foodservice is also sensitive to other energy related cost movements and in particular those that affect transportation and utility costs. In order to minimize the impact of price fluctuations, Reynolds Foodservice utilizes customer contracts that provide for prices that escalate based on published index movements. Approximately 55% of Reynolds Foodservice revenue contains raw material cost pass-through mechanisms. Reynolds Foodservice uses price increases to mitigate the effects of raw material cost increases for customers that are not subject to raw material cost pass-through contracts.

Aluminum Hedging

Reynolds Consumer has historically employed a hedging strategy to mitigate the commodity price risk inherent in its aluminum purchases. Prior to the Reynolds Acquisition, Reynolds Consumer's former owner hedged Reynolds Consumer's aluminum price risk as part of its broader aluminum hedging policy for its overall business. As a result of this policy and the aluminum hedging policy that Reynolds Consumer implemented from the time of the Reynolds Acquisition until October 2008, Reynolds Consumer purchased hedges for an amount of aluminum which was not aligned with its production requirements. As a result of this hedging policy and the steep decline in the price of aluminum in the second half of 2008 which continued into early 2009, Reynolds Consumer had $90.8 million of realized hedging losses reflected in cost of sales for the year ended December 31, 2009.

Reynolds Consumer terminated its previous hedging policy in October 2009 and novated its remaining aluminum derivative instruments to the Reynolds Foodservice segment. After the termination of its previous hedging policy Reynolds Consumer adopted a new hedging policy. Under this new policy Reynolds Consumer 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. The RGHL Group estimates that if this new hedging policy had been in place for the full year ended December 31, 2009, it would have resulted in smaller, but still significant, realized and unrealized hedging related losses for the RGHL Group compared to the actual results for the same period achieved under the previous policy. The novated hedge contracts were completed during the January to April 2010 time period. Reynolds Foodservice selectively enters into aluminum hedges at the request of customers who want to mitigate the risk of raw material costs in their purchase pricing. Due to volatility in aluminum, customers have begun requesting shorter term request periods, usually no longer than a fiscal quarter.

Black Liquor Credits

The Black Liquor Credit is a tax credit that benefits companies that use alternative fuel mixtures to produce energy to operate their businesses. The Black Liquor Credit, equal to $0.50 per gallon of alternative fuel contained in the applicable mixture, is refundable to the taxpayer. In May 2009, Evergreen's application to register as an alternative fuel mixer at its Canton and Pine Bluff facilities was approved. For the year ended December 31, 2009, Evergreen filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling $235.0 million. As a result of these claims, for the year ended December 31, 2009, Evergreen recognized a reduction of $214.1 million in its cost of sales, which equates to the claim value net of applicable expenses. The alternative fuel mixture credit was considered taxable income under the U.S. federal income tax regulation. The tax credit, as it relates to liquid fuels derived from biomass, expired on December 31, 2009. Consequently, Evergreen does not expect any Black Liquor Credits for the year ending December 31, 2010.

Pricing and Product Mix

The RGHL Group's results of operations have in the past been, and will continue to be in the future, impacted by changes in its product mix and prices.

SIG

Sales of sleeves are an important part of SIG's business and have increased on a volume and revenue basis worldwide in the last couple of years. Its carton sleeve product mix has changed in recent years. Over the past few years, SIG increased sales volumes of smaller-size carton sleeves to its customers in the Asian market, where it has expanded its presence, while sales volumes of large-size and mid-size carton sleeves to its customers in established European markets have been stable. While the prices of its carton sleeves vary according to size, SIG's overall operating margins for its carton sleeves and filling machines have been comparable, both across

different carton sleeve sizes and across the European and Asian markets. SIG was generally able to successfully implement price increases from the beginning of 2008 to partly compensate for the significant raw material price increases of the last two years. Although SIG faced pricing pressure for its sleeves in Europe, it was able to slightly increase sleeve prices during the year ended December 31, 2009 compared with 2008. Prices in Asia (excluding China), North America and South America were generally stable. For selected customer accounts in China, downward price adjustments during the year ended December 31, 2009, in line with market conditions, were necessary. In Western Europe, the prices have been stable in 2010 as compared to 2009, whereas in Eastern Europe, SIG has faced pricing pressures. In Asia Pacific, this price pressure has also led to pricing adjustments. Prices in the Americas have been unchanged in 2010 as compared to 2009.

Evergreen

The results of operations for Evergreen have in the past been, and will continue to be in the future, impacted by changes in its product mix and prices. While product mix can vary from year to year, it has not historically been a major contributor to yearly earnings fluctuations. The volume of liquid packaging board sold to third parties is impacted by market dynamics that can drive product mix in areas of liquid packaging board and cup stock. Market pricing and movements that correlate with input cost fluctuations continue to be the primary driver for liquid packaging board sales.

Similar to liquid packaging board, the paper markets are not typically subject to major earnings impacts due to product mix. Coated groundwood ("CGW") mix can be impacted by basis weight and/or brightness trends. Uncoated free sheet ("UFS") mix can be impacted by the higher end envelope market versus the need to increase volumes in the lower margin offset market as well as customer mix (i.e., export vs. domestic). Market dynamics, which impact pricing and customer mix, continue to be the primary driver of revenue for both CGW and UFS.

Reynolds Consumer

The results of operations for Reynolds Consumer have been in the past, and are expected to continue to be in the future, impacted by changes in its pricing and product mix. The strong global economic growth in 2006, 2007 and early 2008 allowed Reynolds Consumer to successfully implement price increases during those years, but the recent economic recession prevented it from implementing any such price increases during 2009 and the first half of 2010. The slowdown in the U.S. economy in 2009 led to a small reduction in both category size and share of its Reynolds Branded products. This resulted in a decline in revenue of its Reynolds Branded business, which was partially offset by an increase in its Store Branded business (in both aluminum foil and plastic bags); however, in the first half of 2010, the share of its Reynolds Branded products returned to pre-2009 levels.

Closures

The beverage caps and closures product mix for Closures has changed in recent years. Over the past few years, Closures has developed the short height mini-closure based on lighter weight closure designs, which has significantly reduced its cost of raw materials and therefore has positively affected its operating margins. In addition, the short height mini-closure has contributed to an increase in global sales volume for Closures. However, Closures has been facing pricing pressure from some of its customers and, as a result, it has experienced certain downward price adjustments in some of its renewable contracts. Closures will continue to experience a shift in geographical mix as a result of the continued strong market growth rates in its emerging markets.

Reynolds Foodservice

The results of operations for Reynolds Foodservice have been in the past, and are expected to continue to be in the future, impacted by changes in its pricing and product mix. The slowdown in the U.S. economy in 2009 and 2010 has negatively impacted growth in the foodservice industry which has resulted in difficulty in maintaining margins due to pricing pressure and shifting by consumers away from Reynolds branded products to less expensive private label products. In response, Reynolds Foodservice has begun to focus more on products with a greater potential for growth and/or new products that offer the possibility of improved margins.

Effect of Currency Fluctuations

The RGHL Group's businesses operate in a number of geographical areas and transact in a range of currencies. In addition to the dollar, the currencies in which the RGHL Group's transactions primarily are denominated are the euro, Swiss Franc, Canadian dollar, Thai Baht, Chinese Yuan Renminbi, Brazilian Real, British Pound, Japanese Yen, Mexican Peso and New Zealand Dollar. Exchange rate fluctuations can therefore either increase or decrease revenue and expense items when reported in dollars. For most financial

periods, the impact on revenue due to fluctuations in exchange rates has been partially offset by the impact on expenses, as most of the RGHL Group's business units incur revenue and expenses in their respective local currencies, creating a natural hedge to currency fluctuations.

Seasonality and Working Capital Fluctuations

The RGHL Group's business is impacted by moderate seasonal fluctuations.

SIG

SIG's customers are principally engaged in providing products such as beverages and food that are generally less sensitive to seasonal effects, although SIG experiences some seasonality as a result of increased consumption of juices and tea during the summer months in Europe. SIG therefore typically experiences a greater level of carton sleeve sales in the second and third quarters. Sales in the fourth quarter can increase due to additional purchases by customers prior to the end of the year to achieve annual volume rebates that SIG offers.

Sales of SIG's filling machines historically increase in the fourth quarter as customers seek to utilize their residual capital expenditures budgets before the end of their operating year. As a result, SIG normally has lower sales and builds inventory levels of filling machines prior to the fourth quarter, which together increase its working capital levels and reduce operating cash flow. This trend did not continue in 2009 and 2010.

Evergreen

Evergreen is impacted by moderate seasonal fluctuations. Evergreen's customers are principally engaged in providing products, such as beverage packaging, that are generally less sensitive to seasonal effects, although Evergreen does experience some seasonality as a result of increased consumption of school milk during the North American academic year. Evergreen therefore typically experiences a greater level of carton product sales in the first and fourth quarters when North American schools are in session.

Reynolds Consumer

Reynolds Consumer's operations are subject to seasonal consumption patterns, which are aligned with key product lines. Sales in Reynolds Branded products are typically higher in the fourth quarter of the year, primarily due to the Reynolds Wrap foil product which has higher sales during the fourth quarter due to holiday periods in North America. Sales in Store Branded are typically higher in the second half of the year in North America, coinciding with the harvest season and outdoor fall cleanup.

Closures

Closures' business is impacted by moderate seasonal fluctuations. Closures experiences some seasonality as a result of increased consumption of bottled beverages during the summer months. In order to avoid capacity shortfalls in the summer months, Closures' customers typically begin building inventories in advance of the summer season. Therefore, Closures typically experiences a greater level of closure sales in the second and third quarters in the Northern Hemisphere, which represented 79% of total revenue in 2009, and in the fourth and first quarters in the Southern Hemisphere, which represented 21% of total revenue in 2009.

Reynolds Foodservice

Reynolds Foodservice operations are seasonal, peaking during the summer and fall months in the Northern Hemisphere when the favorable weather, harvest, and the upcoming holiday season lead to increased consumption. Reynolds Foodservice experiences seasonality in its working capital with inventory levels peaking in the first and fourth quarters and receivables peaking from June through September.

Results of Operations

The following discussion should be read in conjunction with the interim unaudited condensed financial statements and segment data. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow the RGHL results discussion. Results for interim periods may not be indicative of the results for the full year.

Six Months Ended June 30, 2010 Compared with the Six Months Ended June 30, 2009

RGHL Group

Reynolds Group Holdings Limited
Interim unaudited condensed financial statements

	For the Six Months Ended June 30,					
	2010	% of Revenue	2009	% of Revenue	Change	% Change
	(In $ million, except for %)					
Income Statement						
Revenue	**$ 3,032.6**	**100.0%**	**$ 2,890.6**	**100.0%**	**$ 142.0**	**4.9%**
Cost of sales	(2,507.2)	(82.7)%	(2,367.9)	(81.9)%	(139.3)	5.9%
Gross profit	**525.4**	**17.3%**	**522.7**	**18.1%**	**2.7**	**0.5%**
Other income	43.9	1.4%	116.0	4.0%	(72.1)	(62.2)%
Selling, marketing and distribution expenses	(102.5)	(3.4)%	(105.4)	(3.6)%	2.9	(2.8)%
General and administration expenses	(176.6)	(5.8)%	(170.7)	(5.9)%	(5.9)	3.5%
Other expenses	(52.3)	(1.7)%	(43.5)	(1.5)%	(8.8)	20.2%
Share of profit of associates and joint ventures, net of income tax (equity method)	9.4	0.3%	4.8	0.2%	4.6	95.8%
Profit (loss) from operating activities	**247.3**	**8.1%**	**323.9**	**11.2%**	**(76.6)**	**(23.6)%**
Financial income	11.0	0.4%	8.0	0.3%	3.0	37.5%
Financial expenses	(349.8)	(11.5)%	(223.9)	(7.7)%	(125.9)	56.2%
Net financial expenses	**(338.8)**	**(11.2)%**	**(215.9)**	**(7.5)%**	**(122.9)**	**56.9%**
Profit (loss) before income tax	**(91.5)**	**(3.0)%**	**108.0**	**3.7%**	**(199.5)**	**(184.7)%**
Income tax benefit (expense)	(35.3)	(1.2)%	(62.4)	(2.2)%	27.1	(43.4)%
Profit (loss) for the period	**$ (126.8)**	**(4.2)%**	**$ 45.6**	**1.6%**	**$ (172.4)**	**(378.1)%**
Depreciation of property, plant and equipment and amortization of intangible assets	229.0	7.6%	243.3	8.4%	(14.3)	(5.9)%
RGHL Group EBITDA	476.3	15.7%	567.2	19.6%	(90.9)	(16.0)%
RGHL Group Adjusted EBITDA	508.5	16.8%	512.0	17.7%	(3.5)	(0.7%)

Revenue increased by $142.0 million or 4.9% to $3,032.6 million for the six months ended June 30, 2010 compared to $2,890.6 million for the six months ended June 30, 2009. The increase in revenue for the six months ended June 30, 2010 was driven by growth in the SIG, Evergreen and Closures segments resulting from both favorable sales volume and price increases combined with the favorable impact from foreign currency fluctuations of $10 million ($9 million unfavorable impact at the SIG segment and $19 million favorable impact at the Closures segment).

Cost of sales for the six months ended June 30, 2010 increased by $139.3 million or 5.9% to $2,507.2 million for the six months ended June 30, 2010 compared to $2,367.6 million for the six months ended June 30, 2009. Increases in the cost of sales as a percentage of revenue within each of the Evergreen and Closures segments for the six months ended June 30, 2010 were partially offset by decreases in each of the SIG, Reynolds Consumer and Reynolds Foodservice segments. For the six months ended June 30, 2009, cost of sales included a one-time benefit of $96.3 million relating to Black Liquor Credits within the Evergreen segment and an unfavorable foreign currency impact of $8 million ($8 million favorable impact at the SIG segment and $16 million unfavorable impact at the Closures segment), which was partially offset by a $68.9 million expense within the Reynolds Consumer segment resulting from the settlement of unfavorable historical aluminum hedge positions under the segment's historical hedging policy, which was terminated during the three months ended September 30, 2009. As a result of the factors described above, the gross profit margin decreased to 17.3% of revenue for the six months ended June 30, 2010 compared to 18.1% of revenue for the six months ended June 30, 2009.

Selling, marketing and distribution expenses were relatively stable at $102.5 million for the six months ended June 30, 2010 compared to $105.4 million for the six months ended June 30, 2009. General and administration expenses increased by $5.9 million or 3.5% to $176.6 million for the six months ended June 30, 2010 compared to $170.7 million for the six months ended June 30, 2009. This increase was primarily driven by higher amortization costs at the Closures segment.

Net other income and other expenses decreased by $80.9 million to a net expense position of $8.4 million for the six months ended June 30, 2010 compared to a net income position of $72.5 million for the six months ended June 30, 2009. This decrease in net other income and other expenses was largely driven by the decrease of $76.8 million in unrealized gains on open aluminum hedge positions within the Reynolds Consumer segment and an increase of $9.5 million in unrealized losses on resin derivatives within the Closures segment.

The increase of $4.6 million in the share of profits of associates and joint ventures for the six months ended June 30, 2010 was primarily due to growth of the Obeikan joint venture operations within the SIG segment.

As a result of the above factors, profit from operating activities decreased by $76.6 million or 23.6% to $247.3 million for the six months ended June 30, 2010 compared to $323.9 million for the six months ended June 30, 2009.

Financial expenses increased by $125.9 million or 56.2% to $349.8 million for the six months ended June 30, 2010 compared to $223.9 million for the six months ended June 30, 2009. The increase was primarily attributable to an increase in foreign exchange losses of $69.3 million and interest expense in the six months ended June 30, 2010. Foreign exchange movements occur with respect to borrowings denominated in currencies other than that of the borrowing entity. Interest expense increased by $43.2 million for the six months ended June 30, 2010 due to RGHL Group's overall increase in its borrowings. RGHL Group's total borrowings as of June 30, 2010 were $5,714.7 million compared to total borrowings of $4,954.1 million as of December 31, 2009. During November 2009 and May 2010, the RGHL Group completed significant refinancings associated with the RGHL Acquisition and Evergreen Acquisition, respectively. The timing of these refinancings resulted in the historical interest expense not being representative of the RGHL Group's interest expense in future periods. Refer to "Key Factors Influencing the RGHL Group's Financial Condition and Results of Operations — Acquisitions, Substantial Leverage and Other Transaction-Related Effects." For more information regarding the RGHL Group's external borrowings and financial expenses, refer to notes 10 and 15 of the RGHL Group's interim unaudited condensed financial.

For the six months ended June 30, 2010, the income tax expense of $35.3 million on a loss before income tax of $91.5 million was largely due to the inability of certain subsidiaries to claim deductions for certain expense items, such as interest, due to local jurisdictional limitations. For a reconciliation of pre-tax profit (loss) to tax expense, refer to note 11 of the RGHL Group's interim unaudited condensed financial statements.

EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $476.3 million and $508.5 million, respectively, compared to $567.2 million and $512.0 million, respectively, for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the RGHL Group is as follows:

	For the Six Months Ended June 30,	
	2010	**2009**
	(In $ million)	
Profit from operating activities	**$ 247.3**	**$ 323.9**
Depreciation and amortization	229.0	243.3
EBITDA	**476.3**	**567.2**
***Included in RGHL Group EBITDA*:**		
Business restructuring costs	3.5	28.1
Asset impairment charges	5.7	5.4
Related party management fees	0.8	1.2
Equity method profit not distributed in cash	(7.4)	(4.1)
Non-recoverable VAT and customs duties on historical imports	9.3	—
Plant realignment costs	—	1.9

	2010	2009
Elimination of the effect of historical hedging policy	—	72.0
Transition costs	—	10.5
Unrealized losses/(gains) on derivatives	17.2	(79.2)
Business interruption costs	2.1	—
Operational process engineering-related consultancy costs	8.2	2.4
Inventory write-off	—	2.9
Black Liquor Credit	—	(96.3)
Business acquisition costs	4.2	—
(Gain) on sale of businesses	(11.4)	—
RGHL Group Adjusted EBITDA	**$ 508.5**	**$ 512.0**
SIG segment	238.4	208.7
Evergreen segment	72.0	76.8
Reynolds Consumer segment	105.2	114.9
Closures segment	79.1	78.3
Reynolds Foodservice segment	16.1	31.4

SIG Segment

	For the Six Months Ended June 30,					
	2010	**% of Segment Revenue**	**2009**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Revenue	$ 905.8	100.0%	$ 813.7	100.0%	$ 92.1	11.3%
Gross profit	213.8	23.6%	180.2	22.1%	33.6	18.6%
Profit from operating activities	111.2	12.3%	78.0	9.6%	33.2	42.6%
SIG segment EBITDA	228.3	25.2%	197.0	24.2%	31.3	15.9%
SIG segment Adjusted EBITDA	238.4	26.3%	208.7	25.6%	29.7	14.2%

Revenue increased by $92.1 million or 11.3% to $905.8 million for the six months ended June 30, 2010 compared to $813.7 million for the six months ended June 30, 2009. This increase was largely attributable to a $66.1 million increase in revenue from sleeve sales, as well as $19.0 million of incremental revenue from the acquisition of the Whakatane Paper Mill business in May 2010. Revenue for the six months ended June 30, 2010 included an unfavorable foreign currency impact of $9 million.

Sleeve sales: Revenue from sleeve sales increased by $66.1 million or 8.8% to $813.0 million for the six months ended June 30, 2010 compared to $746.9 million for the six months ended June 30, 2009. This increase was primarily attributable to growth in the Asia Pacific North, South American, Middle Eastern and Southern European markets, partially offset by an unfavorable foreign currency impact of $9 million related to sales which were denominated in currencies other than the dollar.

Europe: Revenue from sleeve sales in Europe was relatively flat at $516.8 million for the six months ended June 30, 2010 compared to $516.6 million for the six months ended June 30, 2009. The growth from the Southern European and Eastern European markets during the six months ended June 30, 2010 was more than offset by decreases in the Western European markets, reflecting the expected substitution of carton board by polyethylene terephthalate (“PET”) in the juice market.

Rest of the World: Revenue from sleeves sales in the rest of the world markets increased by $65.9 million or 28.6% to $296.2 million in the six months ended June 30, 2010 compared to $230.3 million for the six months ended June 30, 2009. The regions which experienced growth were Asia Pacific North (primarily due to the recovery of consumer confidence in milk products in China following the melamine contamination of dairy products that occurred in 2008), South America (primarily due to increases in the customer and filler bases) and the Middle East (primarily due to a significant increase in filler base).

Filling machine sales: Revenue from filling machine sales increased by $7.1 million or 10.6% to $73.9 million for the six months ended June 30, 2010 compared to $66.8 million for the six months ended June 30, 2009. The increase in sales was primarily due to a shift in its customers’ preference of the three existing methods of acquiring filling machines — sale, lease or sale and lease from a third party.

Gross profit increased by $33.6 million or 18.6% to $213.8 million for the six months ended June 30, 2010 compared to $180.2 million for the six months ended June 30, 2009, with gross profit margin for the six months ended June 30, 2010 increasing to 23.6% of the segment’s revenue compared to 22.1% for the six months ended June 30, 2009. The increase in the gross profit and gross profit margin for the six months ended June 30, 2010 was largely due to revenue increases as well as the benefit from reductions in fixed costs, partially offset by increases in raw material pricing.

Selling, marketing and distribution expenses and general and administration expenses decreased by $2.2 million or 1.9% to $112.7 million for the six months ended June 30, 2010 compared to $114.9 million for the six months ended June 30, 2009.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $111.2 million, $228.3 million and $238.4 million, respectively, compared to $78.0 million, $197.0 million and $208.7 million, respectively, for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the SIG segment is as follows:

	For the Six Months Ended June 30,	
	2010	**2009**
	(In $ million)	
Profit from operating activities	**$ 111.2**	**$ 78.0**
Depreciation and amortization	117.1	119.0
EBITDA	**228.3**	**197.0**
Included in SIG segment EBITDA:		
Non-recoverable VAT and customs duties relating to historical imports	9.3	—
Business restructuring costs	6.8	13.0
Unrealized losses/(gains) on derivatives	0.4	(3.1)
Asset impairment charges	—	4.5
Equity method profit not distributed in cash	(6.4)	(2.7)
SIG segment Adjusted EBITDA	**$ 238.4**	**$ 208.7**

Evergreen Segment

	For the Six Months Ended June 30,					
	2010	**% of Segment Revenue**	**2009**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Revenue	$ 764.9	100.0%	$ 686.6	100.0%	$ 78.3	11.4%
Gross profit	71.7	9.4%	175.5	25.6%	(103.8)	(59.1)%
Profit from operating activities	40.2	5.3%	140.2	20.4%	(100.0)	(71.3)%
Evergreen segment EBITDA	70.5	9.2%	170.8	24.9%	(100.3)	(58.7)%
Evergreen segment Adjusted EBITDA	72.0	9.4%	76.8	11.2%	(4.8)	(6.3)%

Revenue increased by $78.3 million or 11.4% to $764.9 million for the six months ended June 30, 2010 compared to $686.6 million for the six months ended June 30, 2009. The increase was primarily attributable to: an increase in sales of UFS due to a combination of higher prices and demand for envelopes and other commercial paper products, as the markets recover from the economic slowdown experienced in the six months ended June 30, 2009; an increase in sales of CGW as higher volumes were partially offset by lower prices due to continued inventory discounting in the market; an increase in sales of external liquid packaging board as stronger sales volumes were partially offset by lower prices caused by index pricing on a quarterly lag and lower volumes and higher prices on cartons.

Gross profit decreased by $103.8 million or 59.1% to $71.7 million for the six months ended June 30, 2010 compared to $175.5 million for the six months ended June 30, 2009, with the gross profit margin for the six months ended June 30, 2010 decreasing to 9.4% of the segment's revenue compared to 25.6% for the six months ended June 30, 2009. This decrease was largely due to the one-time impact during the six months ended June 30, 2009 of Black Liquor Credits of $96.3 million. In addition, this decrease was driven by increases in raw material and other input costs as well as a lag in the pass-through of these costs in the six months ended June 30, 2010, which were partially offset by favorable manufacturing operations at the mills and converting facilities due to strong productivity and cost savings initiatives.

Selling, marketing and distribution expenses and general and administration expenses increased by $2.6 million or 6.4% to $43.2 million for the six months ended June 30, 2010 compared to $40.6 million for the six months ended June 30, 2009, largely due to higher costs related to an increase in the number of employees as vacant positions were filled.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $40.2 million, $70.5 million and $72.0 million, respectively, compared to $140.2 million, $170.8 million and $76.8 million, respectively, for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the Evergreen segment is as follows:

	For the Six Months Ended June 30,	
	2010	2009
	(In $ million)	
Profit from operating activities	**$ 40.2**	**$ 140.2**
Depreciation and amortization	30.3	30.6
EBITDA	**70.5**	**170.8**
Included in Evergreen segment EBITDA:		
Operational process engineering-related consultancy costs	2.0	2.4
Unrealized losses on derivatives	0.6	—
Final adjustment on sale of business	(2.1)	—
Related party management fees	0.8	1.2
Business acquisition costs	1.2	—
Equity method profit not distributed in cash	(1.0)	(1.3)
Black Liquor Credits	—	(96.3)
Evergreen segment Adjusted EBITDA	**$ 72.0**	**$ 76.8**

Reynolds Consumer Segment

	For the Six Months Ended June 30,					
	2010	% of Segment Revenue	2009	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 549.2	100.0%	$ 562.9	100.0%	$ (13.7)	(2.4)%
Gross profit	130.4	23.7%	61.5	10.9%	68.9	112.0%
Profit from operating activities	60.5	11.0%	60.4	10.7%	0.1	0.2%
Reynolds Consumer segment EBITDA	86.5	15.8%	92.0	16.3%	(5.5)	(6.0)%
Reynolds Consumer segment Adjusted EBITDA	105.2	19.2%	114.9	20.4%	(9.7)	(8.4)%

Revenue decreased by $13.7 million or 2.4% to $549.2 million for the six months ended June 30, 2010 compared to $562.9 million for the six months ended June 30, 2009.

Reynolds Branded Revenue: Revenue decreased by $16.4 million or 4.6% to $337.1 million for the six months ended June 30, 2010 compared to $353.5 million for the six months ended June 30, 2009. This decrease was primarily due to increases in promotional spending and the planned exit from certain low margin or unprofitable product lines in the second half of 2009, partially offset by increased sales volume.

Reynolds Store-Branded Revenue: Revenue increased by $2.7 million or 1.3% to $212.1 million for the six months ended June 30, 2010 compared to $209.4 million for the six months ended June 30, 2009. The increase was attributable to higher selling prices due to the flow-through of resin price increases to its customers.

Gross profit increased by $68.9 million or 112.0% to $130.4 million for the six months ended June 30, 2010 compared to $61.5 million for the six months ended June 30, 2009, with the gross profit margin for the six months ended June 30, 2010 increasing to 23.7% of the segment's revenue compared to 10.9% for the six months ended June 30, 2009. The increase in gross profit and gross

profit margin for the six months ended June 30, 2010 was largely due to the realized loss of $68.9 million recognized during the six months ended June 30, 2009 related to the settlement of unfavorable aluminum hedge positions under the segment's historical hedging policy, which has since been terminated.

Selling, marketing and distribution expenses and general and administration expenses decreased by $6.7 million to $51.4 million for the six months ended June 30, 2010 compared to $58.1 million for the six months ended June 30, 2009, largely due to reductions in advertisement spending as well as benefits from cost control initiatives implemented during the six months ended June 30, 2010.

The results of operations for the six months ended June 30, 2010 also included a decrease of $76.8 million in unrealized gains on open aluminum hedge positions recognized in net other income.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $60.5 million, $86.5 million and $105.2 million, respectively, compared to $60.4 million, $92.0 million and $114.9 million, respectively, for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the Reynolds Consumer segment is as follows:

	For the Six Months Ended June 30,	
	2010	2009
	(In $ million)	
Profit from operating activities	**$ 60.5**	**$ 60.4**
Depreciation and amortization	26.0	31.6
EBITDA	**86.5**	**92.0**
Included in Reynolds Consumer segment EBITDA:		
Unrealized losses/(gains) on derivatives	14.5	(62.3)
Operational process engineering-related consultancy costs	6.2	—
Elimination of the effect of historical hedging policy	—	68.9
Transition costs	—	10.5
Plant realignment costs	—	1.9
(Gain) on sale of businesses	(0.2)	—
Asset impairment charges	—	0.3
Business restructuring costs	(1.8)	3.6
Reynolds Consumer segment Adjusted EBITDA	**$ 105.2**	**$ 114.9**

Closures Segment

	For the Six Months Ended June 30,					
	2010	% of Segment Revenue	2009	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 568.0	100.0%	$ 483.2	100.0%	$ 84.8	17.5%
Gross profit	84.9	14.9%	82.1	17.0%	2.8	3.4%
Profit from operating activities	34.4	6.1%	50.2	10.4%	(15.8)	(31.5)%
Closure segment EBITDA	74.2	13.1%	84.7	17.5%	(10.5)	(12.4)%
Closure segment Adjusted EBITDA	79.1	13.9%	78.3	16.2%	0.8	1.0%

Revenue increased by $84.8 million or 17.5% to $568.0 million for the six months ended June 30, 2010 compared to $483.2 million for the six months ended June 30, 2009. This increase was principally attributable to higher sales volumes and improved pricing due to the flow-through of resin price increases to its customers, an impact of $22.5 million from the acquisition of CSI Americas and the favorable impact from foreign currency fluctuations of $19 million. The increase in sales volume resulted from overall market growth and the opening of new plants in Asia.

North America: Revenue in North America increased by $41.6 million or 22.4% to $227.3 million for the six months ended June 30, 2010 compared to $185.7 million for the six months ended June 30, 2009. This increase was primarily attributable to higher sales revenue from the acquisition of CSI Americas, improved pricing due to the flow-through of resin price increases and the favorable impact of foreign currency fluctuations of $5 million.

Rest of the World: Revenue in the rest of the world markets increased by $43.2 million or 14.5% to $340.7 million for the six months ended June 30, 2010 compared to $297.5 million for the six months ended June 30, 2009. This increase was primarily due to higher volumes as well as the favorable impact of foreign currency fluctuations of $14 million.

Gross profit increased by $2.8 million or 3.4% to $84.9 million for the six months ended June 30, 2010 compared to $82.1 million for the six months ended June 30, 2009, with the gross profit margin for the six months ended June 30, 2010 decreasing to 14.9% of the segment's revenue compared to 17.0% for the six months ended June 30, 2009. The decrease in the gross profit margin reflected higher raw material costs primarily related to resin prices.

Selling, marketing and distribution expenses and general and administration expenses increased by $6.4 million to $45.8 million for the six months ended June 30, 2010 compared to $39.4 million for the six months ended June 30, 2009, largely due to higher amortization expense resulting from the implementation of software in the six months ended December 31, 2009. The results for the six months ended June 30, 2010 also included an increase of $9.5 million in unrealized losses on resin derivatives and an expense of $2.1 million resulting from the February 2010 earthquake in Chile.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $34.4 million, $74.2 million and $79.1 million, respectively, compared to $50.2 million, $84.7 million and $78.3 million, respectively for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the Closures segment is as follows:

	For the Six Months Ended June 30,	
	2010	2009
	(In $ million)	
Profit from operating activities	**$ 34.4**	**$ 50.2**
Depreciation and amortization	39.8	34.5
EBITDA	**74.2**	**84.7**
Included in Closures segment EBITDA:		
Business interruption costs	2.1	—
Unrealized losses/(gains) on derivatives	1.2	(8.3)
Business acquisition costs	1.0	—
Business restructuring costs	0.6	1.9
Closures segment Adjusted EBITDA	**$ 79.1**	**$ 78.3**

Reynolds Foodservice Segment

	For the Six Months Ended June 30,					
	2010	% of Segment Revenue	2009	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 302.2	100.0%	$ 387.2	100.0%	$ (85.0)	(22.0)%
Gross profit	24.4	8.1%	21.5	5.6%	2.9	13.5%
Profit from operating activities	5.3	1.8%	(6.8)	(1.8)%	12.1	177.9%
Reynolds Foodservice segment EBITDA	21.1	7.0%	20.8	5.4%	0.3	1.4%
Reynolds Foodservice segment Adjusted EBITDA	16.1	5.3%	31.4	8.1%	(15.3)	(48.7)%

Revenue decreased by $85.0 million or 22.0% to $302.2 million for the six months ended June 30, 2010 compared to $387.2 million for the six months ended June 30, 2009. This decrease was primarily due to a decrease of $40.3 million in revenue attributable to the sale of Reynolds Foodservice's envelope window film business in January 2010 as well as relatively lower sales volume for the six months ended June 30, 2010 due to planned exits from lower margin products as well as an overall decrease in demand due to market conditions.

Gross profit increased by $2.9 million to $24.4 million for the six months ended June 30, 2010 compared to $21.5 million for the six months ended June 30, 2009, with the gross profit margin increasing to 8.1% of the segment's revenue for the six months ended June 30, 2010 compared to 5.6% of the segment's revenue for the six months ended June 30, 2009. The increase in gross profit and gross profit margin despite revenue declines reflects productivity efficiencies as well as the realization of benefits from the previously implemented restructuring programs which were partially offset by higher material costs.

Selling, marketing and distribution expenses and general and administration expenses were relatively flat at $24.3 million for the six months ended June 30, 2010 compared to $25.2 million for the six months ended June 30, 2009.

The results of operations for the six months ended June 30, 2010 also included a decrease of $11.7 million in restructuring activities, a $6.0 million increase in unrealized gains on hedge positions, a $9.1 million gain on the sale of the envelope window film business and $5.7 million of asset impairment charges.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 were $5.3 million, $21.1 million and $16.1 million, respectively, compared to a loss of $6.8 million, income of $20.8 million and income of $31.4 million, respectively, for the six months ended June 30, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the six months ended June 30, 2010 and June 30, 2009 for the Reynolds Foodservice segment is as follows:

	For the Six Months Ended June 30,	
	2010	2009
	(In $ million)	
Profit (loss) from operating activities	**$ 5.3**	**$ (6.8)**
Depreciation and amortization	15.8	27.6
EBITDA	**21.1**	**20.8**
Included in Reynolds Foodservice segment EBITDA:		
Unrealized losses/(gains) on derivatives	0.5	(5.5)
Elimination of the effect of historical hedging policy	—	3.1
Inventory write-off	—	2.9
(Gain) on sale of businesses	(9.1)	—
Equity method profit not distributed in cash	—	(0.1)
Asset impairment charges	5.7	0.6
Business restructuring charges	(2.1)	9.6
Reynolds Foodservice segment Adjusted EBITDA	**$ 16.1**	**$ 31.4**

Year Ended December 31, 2009 Compared with the Year Ended December 31, 2008

RGHL Group

Reynolds Group Holdings Limited

	For the Year Ended December 31,					
	2009(1)	% of Revenue	2008(2)	% of Revenue	Change	% Change
	(In $ million, except for %)					
Income Statement						
Revenue	**$ 6,002.4**	**100.0%**	**$ 6,103.7**	**100.0%**	**$ (101.3)**	**(1.7)%**
Cost of sales	(4,783.7)	(79.7)%	(5,400.1)	(88.5)%	616.4	(11.4)%
Gross profit	**1,218.7**	**20.3%**	**703.6**	**11.5%**	**515.1**	**73.2%**
Other income	201.0	3.3%	93.6	1.5%	107.4	114.7%
Selling, marketing and distribution expenses	(210.7)	(3.5)%	(228.5)	(3.7)%	17.8	(7.8)%
General and administration expenses	(366.8)	(6.1)%	(334.3)	(5.5)%	(32.5)	9.7%
Other expenses	(95.9)	(1.6)%	(246.4)	(4.0)%	150.5	(61.1)%
Share of profit of associates and joint ventures, net of income tax (equity method)	11.4	0.2%	6.3	0.1%	5.1	81.0%
Profit (loss) from operating activities	**757.7**	**12.6%**	**(5.7)**	**(0.1)%**	**763.4**	**NM**
Financial income	20.9	0.3%	164.5	2.7%	(143.6)	(87.3)%
Financial expenses	(513.2)	(8.5)%	(408.8)	(6.7)%	(104.4)	25.5%
Net financial expenses	**(492.3)**	**(8.2)%**	**(244.3)**	**(4.0)%**	**(248.0)**	**101.5%**
Profit (loss) before income tax	**265.4**	**4.4%**	**(250.0)**	**(4.1)%**	**515.4**	**(206.2)%**
Income tax benefit (expense)	(148.7)	(2.5)%	63.1	1.0%	(211.8)	(335.7)%
Profit (loss) from continuing operations	**116.7**	**1.9%**	**(186.9)**	**(3.1)%**	**303.6**	**(162.4)%**
Profit (loss) from discontinued operations, net of income tax	—	0.0%	44.0	0.7%	(44.0)	(100.0)%
Profit (loss) for the period	**$ 116.7**	**1.9%**	**$ (142.9)**	**(2.3)%**	**$ 259.6**	**(181.7)%**
Depreciation of property, plant and equipment and amortization of intangible assets	501.7	8.4%	476.4	7.8%	25.3	5.3%
RGHL Group EBITDA	1,259.4	21.0%	470.7	7.7%	788.7	167.6%
RGHL Group Adjusted EBITDA	1,130.3	18.8%	784.8	12.9%	345.5	44.0%

(1) Represents the results of operations of SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice for the full year 2009.

(2) Represents the results of operations of SIG and Evergreen for the 12 months of 2008 and the results of operations of Reynolds Consumer, Closures and Reynolds Foodservice for ten months in 2008 (March 1 to December 31).

For further details regarding the timing of the RGHL Group's acquisitions of the SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice businesses, refer to note 33 of the RGHL Group annual audited financial statements.

Revenue decreased by $101.3 million or 1.7% to $6,002.4 million for the year ended December 31, 2009 compared to $6,103.7 million for the year ended December 31, 2008, reflecting a decrease in revenue across all of RGHL Group's segments excluding Closures, and unfavorable foreign currency fluctuations of $99 million ($68 million at the SIG segment and $31 million at the Closures segment). For a detailed explanation of the variations in revenue for each of RGHL Group's segments, please see the individual segment discussions below.

Cost of sales decreased by $616.4 million or 11.4% to $4,783.7 million for the year ended December 31, 2009 compared to $5,400.1 million for the year ended December 31, 2008. This decrease was attributable to a decrease in the cost of sales for the SIG, Evergreen, Reynolds Consumer and Reynolds Foodservice segments of $147.7 million, $346.6 million, $104.4 million and $125.4 million, respectively, partially offset by an increase in the cost of sales for the Closures segment of $64.1 million. In addition, cost of sales included favorable foreign currency fluctuations of $28 million ($59 million favorable impact at the SIG segment and $31 million unfavorable impact at the Closures segment).

Gross profit increased by $515.1 million or 73.2% to $1,218.7 million for the year ended December 31, 2009 compared to $703.6 million for the year ended December 31, 2008. This increase was attributable to an increase in the gross profit for the SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments of $70.0 million, $270.1 million, $78.3 million, $59.8 million and $31.4 million, respectively. For a detailed explanation of the variations in gross profit for each of RGHL Group's segments, please see the individual segment discussions below.

Selling, marketing and distribution expenses decreased by $17.8 million or 7.8% to $210.7 million for the year ended December 31, 2009 compared to $228.5 million for the year ended December 31, 2008. This decrease was attributable to a decrease in the selling, marketing and distribution expenses for the SIG, Evergreen, Reynolds Consumer and Reynolds Foodservice segments of $4.8 million, $1.5 million, $17.2 million and $2.1 million, respectively, partially offset by an increase in selling, marketing and distribution expenses for the Closures segment of $7.2 million.

General and administration expenses increased by $32.5 million or 9.7% to $366.8 million for the year ended December 31, 2009 compared to $334.3 million for the year ended December 31, 2008. This increase was largely attributable to an increase in general and administration expenses for the Evergreen, Reynolds Consumer and Closures segments by $16.9 million, $25.2 million and $17.4 million, respectively, partially offset by a decrease in general and administration expenses for the SIG and Reynolds Foodservice segments by $17.2 million and $1.1 million. For a detailed explanation of the variations in selling, marketing and distribution expenses and general and administration expenses for each of RGHL Group's segments, please see the individual segment discussions below.

Net other income (expense) increased by $257.9 million to a $105.1 million net other income position for the year ended December 31, 2009 compared to a $152.8 million net other expense position for the year ended December 31, 2008. This increase was largely attributable to an increase in net other income for the Reynolds Consumer, Closures and Reynolds Foodservice segments of $258.3 million, $25.7 million and $35.3 million, respectively, partially offset by a decrease in net other income of $13.7 million for the Evergreen segment and an increase of $38.6 million in net other expenses for the SIG segment.

Share of profits in associates and joint ventures increased by $5.1 million or 81.0% to $11.4 million for the year ended December 31, 2009 compared to $6.3 million for the year ended December 31, 2008. The increase was primarily due to growth of the Obeikan joint venture operations within the SIG segment.

As a result of the above factors, profit from operating activities increased by $763.4 million to $757.7 million for the year ended December 31, 2009 compared to a loss of $5.7 million for the year ended December 31, 2008.

Financial income decreased by $143.6 million or 87.3% to $20.9 million for the year ended December 31, 2009 compared to $164.5 million for the year ended December 31, 2008. This decrease was primarily attributable to the negative impact of exchange rate movements between the dollar and NZ$ on debt of the Evergreen segment, which is mainly denominated in NZ$.

Financial expenses increased by $104.4 million or 25.5% to $513.2 million for the year ended December 31, 2009 compared to $408.8 million for the year ended December 31, 2008. During 2009, the RGHL Group completed the refinancing of components of the RGHL Group's existing indebtedness which included the repayment of certain existing senior indebtedness incurred in connection with the acquisition of the SIG segment along with the indebtedness incurred in connection with the acquisition of the Reynolds Consumer and Closures segments through the drawing of new borrowings under the Original Senior Secured Credit Facilities and the issuance of the 2009 Notes. The net increase was primarily attributable to a $133.8 million increase in foreign currency exchange losses and $36.2 million of additional amortization of debt issue costs that arose as a result of the early repayment of the previously described facilities, partially offset by an overall reduction in interest paid on external borrowings. For more information relating to the RGHL Group's borrowings, see note 13 and note 26 of the RGHL Group annual audited financial statements.

For the year ended December 31, 2009, income tax expense increased by $211.8 million or 335.7% to $148.7 million compared to a benefit of $63.1 million for the year ended December 31, 2008. The effective tax rate increased to 56.0% for the year ended December 31, 2009 compared to an effective tax rate of 25.2% for the year ended December 31, 2008. This increase was primarily attributable to the change in the relative contribution of the different jurisdictions in which the RGHL Group is subject to tax, offset by additional New Zealand Controlled Foreign Companies ("CFC") tax expense of $16.9 million for the year ended December 31, 2009 compared to a CFC tax benefit of $17.8 million for the year ended December 31, 2008, and the non-recognition of $82.2 million of current period tax losses (2008: $74.8 million) largely due to the inability of certain subsidiaries to claim deductions for certain expense items, such as interest, due to local jurisdictional limitations.

Total profit from discontinued operations, net of income tax, decreased by $44.0 million. For the year ended December 31, 2009, none of the RGHL Group's businesses were held as discontinued operations compared to 2008 when the SIG Beverages business was sold.

Depreciation of property, plant and equipment and amortization of intangible assets increased by $25.3 million or 5.3% to $501.7 million for the year ended December 31, 2009 compared to $476.4 million for the year ended December 31, 2008. This

increase was attributable to an increase in depreciation of property, plant and equipment and amortization of intangible assets for the Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice segments of $3.4 million, $10.9 million, $16.4 million and $9.9 million, respectively, partially offset by a decrease in depreciation of property, plant and equipment and amortization of intangible assets for the SIG segment of $15.3 million.

EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $1,259.4 million and $1,130.3 million, respectively, compared to $470.7 million and $784.8 million, respectively, for the year ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and December 31, 2008 for the RGHL Group is as follows:

	For the Year Ended December 31,	
	2009	**2008**
	(In $ million)	
Profit from operating activities	**$ 757.7**	**$ (5.7)**
Depreciation and amortization	501.7	476.4
EBITDA	**1,259.4**	**470.7**
Included in the RGHL Group EBITDA:		
Business restructuring costs	57.9	78.9
Asset impairment charges	12.9	—
Custom duties on historical imports	3.5	2.2
Equity method profit not distributed in cash	(10.0)	(6.3)
Flood damage	5.2	—
Loss on sale of Baco assets	1.2	—
Plant realignment costs	2.1	—
Elimination of the effect of Reynolds Consumer hedging policy	95.3	4.2
Transition costs	23.6	10.2
Unrealized (gain) loss on derivatives	(129.0)	160.1
Realized (gain) loss on derivatives novated with related party	—	32.8
Operational process engineering-related consultancy costs	13.2	—
Inventory write-off	5.3	—
Write down of assets held for sale	0.7	—
Write off of receivables related to sale of Venezuelan operations	1.4	—
Blue Ridge acquisition legal fees, not in original purchase accounting adjustments	1.2	—
Related party management fees	2.5	3.4
Black Liquor credit	(214.1)	—
Korean insurance claim	(2.0)	—
(Gain) on sale of non-current assets	—	(1.9)
Impact of purchase price accounting	—	30.5
RGHL Group Adjusted EBITDA	**$ 1,130.3**	**$ 784.8**
SIG segment	474.8	414.9
Evergreen segment	166.6	119.2
Reynolds Consumer segment	280.4	139.1
Closures segment	148.1	106.7
Reynolds Foodservice segment	60.4	9.4

SIG Segment

	For the Year Ended December 31,					
	2009	**% of Segment Revenue**	**2008**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Revenue	$ 1,760.5	100.0%	$ 1,838.2	100.0%	$ (77.7)	(4.2)%
Gross profit	409.9	23.3%	339.9	18.5%	70.0	20.6%
Profit from operating activities	189.7	10.8%	132.1	7.2%	57.6	43.6%
SIG segment EBITDA	439.9	25.0%	397.6	21.6%	42.3	10.6%
SIG segment Adjusted EBITDA	474.8	27.0%	414.9	22.6%	59.9	14.4%

Revenue decreased by $77.7 million or 4.2% to $1,760.5 million for the year ended December 31, 2009 compared to $1,838.2 million for the year ended December 31, 2008. This decrease was primarily attributable to lower filling machine sales of $28.3 million and a decline in sleeve sales of $49.4 million. In addition, revenue for the period was unfavorably impacted by foreign currency fluctuations of $68 million.

Sleeve sales: Revenue from sleeve sales decreased by $49.4 million or 3.0% to $1,623.4 million for the year ended December 31, 2009 compared to $1,672.8 million for the year ended December 31, 2008.

Europe: Revenue from sleeve sales in Europe decreased by $116.0 million or 9.6% to $1,094.9 million for the year ended December 31, 2009 compared to $1,210.9 million for the year ended December 31, 2008. This decrease was primarily attributable to an unfavorable foreign currency impact of $69 million and a decrease in sleeve sales on a currency adjusted basis of $31.4 million or 32.8% and $11.1 million or 10.3% in Russia and Poland, respectively, compared to the results for the year ended December 31, 2008. The reduction in sleeve sales in Russia and Poland was primarily related to the juice segment and was mainly due to the decline in consumer purchases resulting from the global economic downturn in 2009. Collectively, the other European markets also experienced a decline due to unfavorable market conditions resulting in lower total sleeve sales of $4.1 million or 0.4% as compared to the year ended December 31, 2008 in these markets.

Rest of the World: Revenue from sleeve sales in the rest of the world markets increased by $66.6 million or 14.4% to $528.5 million for the year ended December 31, 2009 compared to $461.9 million for the year ended December 31, 2008. This increase was primarily attributable to higher sleeve sales of $65.3 million and a favorable foreign currency impact of $1 million. Sleeve sales in China increased by $32.4 million or 23.0% to $173.1 million for the year ended December 31, 2009 compared to $140.7 million for the year ended December 31, 2008, reflecting a recovery of consumer confidence in milk products which was negatively impacted by the 2008 melamine contamination of dairy products. Sleeve sales of the other rest of the world markets, increased by $34.2 million or 10.6% mainly due to the increase in sleeve sales in South America by 36.2% as compared to the year ended December 31, 2008.

Filling machine sales: Revenue from filling machine sales decreased by $28.3 million or 17.1% to $137.1 million for the year ended December 31, 2009 compared to $165.4 million for the year ended December 31, 2008. The decrease was primarily due to a shift in its customers' preference for the three existing methods of acquiring filling machines — sale, lease or sale and lease from third party — despite 71 filling machines being placed during the year ended December 31, 2009 compared to 64 during the year ended December 31, 2008.

Gross profit increased by $70.0 million or 20.6% to $409.9 million for the year ended December 31, 2009 compared to $339.9 million for the year ended December 31, 2008, with the gross profit margin increasing to 23.3% of revenue for the year ended December 31, 2009 compared to 18.5% of revenue the year ended December 31, 2008. This increase in gross profit and gross profit margin was primarily due to a decrease in cost of sales resulting from a reduction in raw material prices (especially for PE and aluminum), the reduction of outbound freight costs, workforce reductions and other cost savings achieved through the implementation of restructuring projects.

Selling, marketing and distribution expenses and general and administration expenses decreased by $22.0 million to $224.2 million for the year ended December 31, 2009 compared to $246.2 million for the year ended December 31, 2008. This decrease was mainly due to the successful implementation of cost-saving measures during 2009 relating to overhead costs.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $189.7 million, $439.9 million and $474.8 million, respectively, compared to $132.1 million, $397.6 million and $414.9 million, respectively, for the year ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and December 31, 2008 for the SIG segment is as follows:

	For the Year Ended December 31,	
	2009	**2008**
	(In $ million)	
Profit from operating activities	**$ 189.7**	**$ 132.1**
Depreciation and amortization	250.2	265.5
EBITDA	**439.9**	**397.6**
Included in SIG segment EBITDA:		
Customs duties on historical imports	3.5	2.2
(Gain) on sale of non-current assets	—	(1.9)

Business restructuring costs	37.5	14.1
Unrealized losses/(gains) on derivatives	(4.3)	7.8
Asset impairment charges	5.9	—
Equity method profit not distributed in cash	(7.7)	(4.9)
SIG segment Adjusted EBITDA	**$ 474.8**	**$ 414.9**

Evergreen Segment

	For the Year Ended December 31,					
	2009	% of Segment Revenue	2008	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 1,429.0	100.0%	$ 1,505.5	100.0%	$ (76.5)	(5.1)%
Gross profit	376.0	26.3%	105.9	7.0%	270.1	255.1%
Profit from operating activities	293.2	20.5%	50.9	3.4%	242.3	476.0%
Evergreen segment EBITDA	356.9	25.0%	111.2	7.4%	245.7	221.0%
Evergreen segment Adjusted EBITDA	166.6	11.7%	119.2	7.9%	47.4	39.8%

Revenue decreased by $76.5 million or 5.1% to $1,429.0 million for the year ended December 31, 2009 compared to $1,505.5 million for the year ended December 31, 2008. This decrease was primarily due to lower sales of paper products. Sales of coated groundwood ("CGW") decreased by approximately $37.0 million due to a combination of lower prices and lower demand for catalogs and magazines as a result of the economic slowdown. In addition, external sales of liquid packaging board decreased by approximately $31.3 million mainly as a result of lower demand from cupstock customers and lower volume requirements from Evergreen's European customers. Sales of uncoated free sheet ("UFS") decreased by $15.8 million due to a combination of lower prices and lower demand for envelopes and other commercial paper products, due to the economic slowdown as well as a change in product mix with more sales in the export markets which attract lower prices. This decrease in revenue was partially offset by an $11.5 million increase in revenue from fresh carton packaging due to increases in prices, despite lower sales volumes.

Gross profit increased by $270.1 million or 255.1% to $376.0 million for the year ended December 31, 2009 compared to $105.9 million for the year ended December 31, 2008, with the gross profit margin increasing to 26.3% of revenue for the year ended December 31, 2009 compared to 7.0% for the year ended December 31, 2008. The increase in gross profit and gross profit margin can mainly be attributed to the recognition of $214.1 million of Black Liquor Credits and a decrease in raw material and other input costs used in the manufacture of liquid packaging board, including low-density polyethylene ("LDPE"), natural gas and coal, as well as a decrease in transportation costs.

Selling, marketing and distribution expenses and general and administration expenses increased by $15.4 million to $96.3 million for the year ended December 31, 2009 compared to $80.9 million for the year ended December 31, 2008, largely due to operational process engineering-related consultancy costs of $13.2 million.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $293.2 million, $356.9 million and $166.6 million, respectively, compared to $50.9 million, $111.2 million and $119.2 million, respectively, for the year ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and December 31, 2008 for the Evergreen segment is as follows:

	For the Year Ended December 31,	
	2009	2008
	(In $ million)	
Profit from operating activities	**$ 293.2**	**$ 50.9**
Depreciation and amortization	63.7	60.3
EBITDA	**356.9**	**111.2**
Included in Evergreen segment EBITDA:		
Operational process engineering-related consultancy costs	13.2	—
Business restructuring costs	2.9	3.9
Transition costs	—	1.7

	2009	2008
Blue Ridge acquisition legal fees, not in original purchase accounting adjustment	1.2	—
Asset impairment charges	6.1	—
Write down of assets held for sale	0.7	—
Write off of receivables related to sale of Venezuela operations	1.4	—
Related party management fees	2.5	3.4
Korean insurance claims	(2.0)	—
Equity method profit not distributed in cash	(2.2)	(1.0)
Black Liquor Credits	(214.1)	—
Evergreen segment Adjusted EBITDA	**$ 166.6**	**$ 119.2**

Reynolds Consumer Segment

	For the Year Ended December 31,					
	2009(1)	% of Segment Revenue	2008(2)	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 1,189.9	100.0%	$ 1,216.0	100.0%	$ (26.1)	(2.1)%
Gross profit	222.2	18.7%	143.9	11.8%	78.3	54.4%
Profit from operating activities	190.9	16.0%	(137.7)	(11.3)%	328.6	(238.6)%
Reynolds Consumer segment EBITDA	254.3	21.4%	(85.2)	(7.0)%	339.5	(398.5)%
Reynolds Consumer segment Adjusted EBITDA	280.4	23.6%	139.1	11.4%	141.3	101.6%

(1) Represents 12 months of operations for the Reynolds Consumer segment.

(2) Represents ten months of operations for the Reynolds Consumer segment.

Revenue decreased by $26.1 million or 2.1% to $1,189.9 million for the year ended December 31, 2009 compared to $1,216.0 million for the ten months ended December 31, 2008. The decrease was primarily due to the planned exit from low margin or unprofitable product lines and reduced prices in Store Branded products due to the pass-through of raw material pricing decreases to customers, partially offset by the additional two months included in the 2009 period. Revenue decreased by $191.1 million or 15.7% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Reynolds Branded Revenue: Reynolds Branded revenue decreased by $82.1 million or 9.8% to $757.0 million for the year ended December 31, 2009 compared to $839.1 million for the ten months ended December 31, 2008. This decrease was primarily attributable to the planned exit from low margin or unprofitable product lines, partially offset by the additional two months in the 2009 period. Revenue decreased by $180.0 million or 21.5% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Reynolds Store Branded Revenue: Store Branded revenue increased by $56.0 million or 14.9% to $432.9 million for the year ended December 31, 2009 compared to $376.9 million for the ten months ended December 31, 2008. This increase was primarily attributable to the additional two months included in the results for the year ended December 31, 2009. Revenue decreased by $11.1 million or 2.9% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008, primarily due to reduced prices in Store Branded products as a result of the pass-through of raw materials pricing decreases to customers.

Gross profit increased by $78.3 million or 54.4% to $222.2 million for the year ended December 31, 2009 compared to $143.9 million for the ten months ended December 31, 2008, with the gross profit margin increasing to 18.7% of revenue for the year ended December 31, 2009 compared to 11.8% of revenue for the ten months ended December 31, 2008. This increase in gross profit and gross profit margin was mainly driven by cost savings associated with strategic initiatives, including plant consolidations and realignment and the exiting of low margin and unprofitable product lines, along with higher margins in branded foil products. The increase was partially offset by realized losses of $90.8 million recognized during the year ended December 31, 2009 related to the settlement of unfavorable aluminum hedge positions under the segment's historical hedging policy, which have since been transferred to the Reynolds Foodservice segment. Gross profit increased by $70.0 million or 48.6% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Selling, marketing and distribution expenses and general and administration expenses increased by $8.0 million to $126.3 million for the year ended December 31, 2009 compared to $118.3 million for the ten months ended December 31, 2008. This increase was mainly attributable to the additional two months included in the results for the year ended December 31, 2009, increased administration costs and one-time costs related to a flood incident at one of the segment's locations, partially offset by an overall decline in marketing spending, which included a decline related to the discontinuation of a certain product line. Selling, marketing and distribution expenses and general and administration expenses decreased by $10.5 million or 8.9% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

The results of operations for the year ended December 31, 2009 also included an increase of $232.7 million in unrealized gains on open aluminum hedge positions as well as a decrease of $27.8 million in restructuring expenses. Both of these items were recognized in net other income.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $190.9 million, $254.3 million and $280.4 million, respectively, compared to a loss of $137.7 million, loss of $85.2 million and income of $139.1 million, respectively, for the ten months ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and the ten months ended December 31, 2008 for the Reynolds Consumer segment is as follows:

	For the Year Ended December 31,	
	2009(1)	2008(2)
	(In $ million)	
Profit from operating activities	**$ 190.9**	**$ (137.7)**
Depreciation and amortization	63.4	52.5
EBITDA	**254.3**	**(85.2)**
Included in Reynolds Consumer segment EBITDA:		
Unrealized losses/(gains) on derivatives	(101.9)	130.8
Realized losses on derivatives novated with related party	—	32.8
Elimination of the effect of historical hedging policy	90.8	3.7
Impact of purchase price accounting on inventory	—	17.3
Transition costs	23.6	7.1
Plant realignment costs	2.1	—
Loss on sale of Baco assets	1.2	—
Flood damage	5.2	—
Asset impairment charges	0.3	—
Business restructuring costs	4.8	32.6
Reynolds Consumer segment Adjusted EBITDA	**$ 280.4**	**$ 139.1**

(1) Represents 12 months of operations for the Reynolds Consumer segment.

(2) Represents ten months of operations for the Reynolds Consumer segment.

Closures Segment

	For the Year Ended December 31,					
	2009(1)	% of Segment Revenue	2008(2)	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 979.7	100.0%	$ 855.8	100.0%	$ 123.9	14.5%
Gross profit	161.4	16.5%	101.6	11.9%	59.8	58.9%
Profit from operating activities	82.2	8.4%	21.3	2.5%	60.9	285.9%
Closure segment EBITDA	154.9	15.8%	77.6	9.1%	77.3	99.6%
Closure segment Adjusted EBITDA	148.1	15.1%	106.7	12.5%	41.4	38.8%

(1) Represents 12 months of operations for the Closures segment.

(2) Represents ten months of operations for the Closures segment.

Revenue increased by $123.9 million or 14.5% to $979.7 million for the year ended December 31, 2009 compared to $855.8 million for the ten months ended December 31, 2008. This increase was mainly attributable to the additional two months of revenue included in the results for the year ended December 31, 2009. Revenue decreased by $17.1 million or 2.0% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008. The increase in global sales, which includes the favorable full year impact of the September 2008 acquisition of CSI Guadalajara in Mexico, was offset by lower pricing resulting from the pass-through of lower resin costs and an unfavorable foreign currency impact of $31 million.

North America: Revenue in North America increased by $17.7 million or 5.2% to $360.7 million for the year ended December 31, 2009 compared to $343.0 million for the ten months ended December 31, 2008. This increase was mainly attributable to the additional two months included in the results for the year ended December 31, 2009 and increased sales resulting from the acquisition of CSI Guadalajara, partially offset by price reductions associated with the flow through of resin costs to the customers. Revenue decreased by $38.1 million or 11.1% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Rest of the World: Revenue in the rest of the world increased by $106.2 million or 20.7% to $619.0 million for the year ended December 31, 2009 compared to $512.8 million for the ten months ended December 31, 2008. This increase was primarily due to the additional two months included in the results for the year ended December 31, 2009 and sales increases in emerging markets, specifically in China, partially offset by price reductions associated with the flow through of resin costs to the customers. Revenue increased by $21.0 million or 4.1% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Gross profit increased by $59.8 million or 58.9% to $161.4 million for the year ended December 31, 2009 compared to $101.6 million for the ten months ended December 31, 2008, with the gross profit margin increasing to 16.5% of revenue for the year ended December 31, 2009 compared to 11.9% of revenue for the ten months ended December 31, 2008. This increase in gross profit and gross profit margin was primarily due to the additional two months included in the results for the year ended December 31, 2009 as well as the favorable impact from lower raw material costs and strategic cost initiatives. Cost reduction programs undertaken consisted mainly of a reduction in headcount and raw material initiatives focusing on scrap reductions, lining improvements and lighter weight closures. Gross profit increased by $42.7 million or 42.0% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Selling, marketing and distribution expenses and general and administration expenses increased by $24.6 million to $87.5 million for the year ended December 31, 2009 compared to $62.9 million for the ten months ended December 31, 2008. This increase was primarily attributable to the additional two months included in the results for the year ended December 31, 2009, combined with certain start-up investments in plant facilities in China and cost redundancies related to transitioning from Alcoa systems. Selling, marketing and distribution expenses and general and administration expenses increased by $11.5 million or 18.2% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

The results of operations for the year ended December 31, 2009 also included an increase of $19.1 million in unrealized gains on derivative instruments as well as a decrease of $6.5 million in restructuring expenses. Both of these items were recognized in net other income.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $82.2 million, $154.9 million and $148.1 million, respectively, compared to $21.3 million, $77.6 million and $106.7 million, respectively, for the year ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and the ten months ended December 31, 2008 for the Closures segment is as follows:

	For the Year Ended December 31,	
	2009(1)	**2008(2)**
	(In $ million)	
Profit from operating activities	**$ 82.2**	**$ 21.3**
Depreciation and amortization	72.7	56.3
EBITDA	**154.9**	**77.6**
Included in Closures segment EBITDA:		
Business restructuring costs	3.0	9.5
Unrealized losses/(gains) on derivatives	(9.8)	9.3
Impact of purchase price accounting on inventory	—	8.9
Transition costs	—	1.4
Closures segment Adjusted EBITDA	**$ 148.1**	**$ 106.7**

(1) Represents 12 months of operations for the Closures segment.

(2) Represents ten months of operations for the Closures segment.

Reynolds Foodservice Segment

	For the Year Ended December 31,					
	2009(1)	% of Segment Revenue	2008(2)	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 738.8	100.0%	$ 832.8	100.0%	$ (94.0)	(11.3)%
Gross profit	46.8	6.3%	15.4	1.8%	31.4	203.9%
Profit from operating activities	1.8	0.2%	(67.8)	(8.1)%	69.6	(102.7)%
Reynolds Foodservice segment EBITDA	53.5	7.2%	(26.0)	(3.1)%	79.5	(305.8)%
Reynolds Foodservice segment Adjusted EBITDA	60.4	8.2%	9.4	1.1%	51.0	542.6%

(1) Represents 12 months of operations for the Reynolds Foodservice segment.

(2) Represents ten months of operations for the Reynolds Foodservice segment.

Revenue decreased by $94.0 million or 11.3% to $738.8 million for the year ended December 31, 2009 compared to $832.8 million for the ten months ended December 31, 2008. This decrease was primarily due to the impact of lower volumes because of plant closures and weak economic conditions, combined with a reduction in raw material prices, which resulted in lower prices charged to customers. Revenue decreased by $225.5 million or 27.1% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Gross profit increased by $31.4 million to $46.8 million for the year ended December 31, 2009 compared to $15.4 million for the ten months ended December 31, 2008, with the gross profit margin increasing to 6.3% of revenue for the year ended December 31, 2009 compared to 1.8% of revenue for the ten months ended December 31, 2008. This increase in gross profit and gross profit margin was primarily due to cost savings resulting from previously implemented productivity projects and restructuring plans, combined with a reduction in raw material prices. Gross profit increased by $29.4 million or 190.9% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

Selling, marketing and distribution expenses and general and administration expenses decreased by $3.2 million to $49.5 million for the year ended December 31, 2009 compared to $52.7 million for the ten months ended December 31, 2008. Selling, marketing and distribution expenses and general and administration expenses decreased by $12.3 million or 23.3% for the ten months ended December 31, 2009 compared to the ten months ended December 31, 2008.

The results of operations for the year ended December 31, 2009 included an increase of $25.2 million in unrealized gains on open aluminum hedge positions and a $9.2 million decrease in restructuring expenses, both of which were recognized in net other income.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2009 were $1.8 million, $53.5 million and $60.4 million, respectively, compared to a loss of $67.8 million, a loss of $26.0 million and $9.4 million, respectively, for the ten months ended December 31, 2008.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2009 and the ten months ended December 31, 2008 for the Reynolds Foodservice segment is as follows:

	For the Year Ended December 31,	
	2009(1)	2008(2)
	(In $ million)	
Profit from operating activities	**$ 1.8**	**$ (67.8)**
Depreciation and amortization	51.7	41.8
EBITDA	**53.5**	**(26.0)**
Included in Reynolds Foodservice segment EBITDA:		
Unrealized losses/(gains) on derivatives	(13.0)	12.2
Inventory write-off	5.3	—
Elimination of the effect of historical hedging policy	4.5	0.5
Asset impairment charges	0.6	—
Business restructuring costs	9.6	18.8

Impact of purchase price accounting on inventory	—	4.3
Equity method profit not distributed in cash	(0.1)	(0.4)
Reynolds Foodservice segment Adjusted EBITDA	**$ 60.4**	**$ 9.4**

(1) Represents 12 months of operations for the Reynolds Foodservice segment.

(2) Represents ten months of operations for the Reynolds Foodservice segment.

Year Ended December 31, 2008 Compared with the Year Ended December 31, 2007

RGHL Group

Reynolds Group Holdings Limited

	For the Year Ended December 31,					
	2008(1)	% of Revenue	2007(2)	% of Revenue	Change	% Change
	(In $ million, except for %)					
Income Statement						
Revenue	**$ 6,103.7**	**100.0%**	**$ 2,115.9**	**100.0%**	**$ 3,987.8**	**188.5%**
Cost of sales	(5,400.1)	(88.5)%	(1,849.0)	(87.4)%	(3,551.1)	192.1%
Gross profit	**703.6**	**11.5%**	**266.9**	**12.6%**	**436.7**	**163.6%**
Other income	93.6	1.5%	155.4	7.3%	(61.8)	(39.8)%
Selling, marketing and distribution expenses	(228.5)	(3.7)%	(60.0)	(2.8)%	(168.5)	280.8%
General and administration expenses	(334.3)	(5.5)%	(178.2)	(8.4)%	(156.1)	87.6%
Other expenses	(246.4)	(4.0)%	(40.4)	(1.9)%	(206.0)	509.9%
Share of profit of associates and joint ventures, net of income tax (equity method)	6.3	0.1%	3.6	0.2%	2.7	75.0%
Profit (loss) from operating activities	**(5.7)**	**(0.1)%**	**147.3**	**7.0%**	**(153.0)**	**(103.9)%**
Financial income	164.5	2.7%	14.4	0.7%	150.1	1,042.4%
Financial expenses	(408.8)	(6.7)%	(302.8)	(14.3)%	(106.0)	35.0%
Net financial expenses	**(244.3)**	**(4.0)%**	**(288.4)**	**(13.6)%**	**44.1**	**(15.3)%**
Profit (loss) before income tax	**(250.0)**	**(4.1)%**	**(141.1)**	**(6.7)%**	**(108.9)**	**77.2%**
Income tax benefit (expense)	63.1	1.0%	30.0	1.4%	33.1	110.3%
Profit (loss) from continuing operations	**(186.9)**	**(3.1)%**	**(111.1)**	**(5.3)%**	**(75.8)**	**68.2%**
Profit (loss) from discontinued operations, net of income tax	44.0	0.7%	7.9	0.4%	36.1	457.0%
Profit (loss) for the period	**$ (142.9)**	**(2.3)%**	**$ (103.2)**	**(4.9)%**	**$ (39.7)**	**38.5%**
Depreciation of property, plant and equipment and amortization of intangible assets	476.4	7.8%	209.7	9.9%	266.7	127.2%
RGHL Group EBITDA	470.7	7.7%	357.0	16.9%	113.7	31.8%
RGHL Group Adjusted EBITDA	784.8	12.9%	316.1	14.9%	468.7	148.3%

(1) Represents the results of operations of SIG and Evergreen for the 12 months of 2008 and the results of operations of Reynolds Consumer, Closures and Reynolds Foodservice for ten months in 2008 (March 1 to December 31).

(2) Represents the consolidated results of operations of SIG for the period from May 11, 2007 to December 31, 2007 and Evergreen for 11 months in 2007, which includes the results of operations of Blue Ridge for five months in 2007.

The variations between the year ended December 31, 2008 and the year ended December 31, 2007 are mainly attributable to the acquisition of Reynolds Consumer, Closures and Reynolds Foodservice by the RGHL Group's strategic owner, Graeme Hart, in February 2008. During the 2007 fiscal year, the RGHL Group results were comprised of the SIG and Evergreen segments, which the RGHL Group acquired in May 2007 and January 2007, respectively. Consequently, the discussion below is limited to the following comparisons for the SIG and Evergreen segments:

- the results of operations for SIG for the year ended December 31, 2008 compared to the results of operations for SIG for the period of May 11 to December 31, 2007;

- the results of operations for Evergreen for the year ended December 31, 2008 compared to the results of operations for Evergreen for the period of January 31 to December 31, 2007, which includes the results of operations of Blue Ridge for five months in 2007; and

- for informational purposes only, the results of operations for SIG for the year ended December 31, 2008 compared to the aggregated results of operations for the year ended December 31, 2007, which consists of the results of operations for the RGHL Group Predecessor for the period from January 1, 2007 to May 10, 2007 and the results of operations for SIG for the period from May 11, 2007 to December 31, 2007 ("SIG Aggregated Results").

Revenue increased by $3,987.8 million or 188.5% to $6,103.7 million for the year ended December 31, 2008 compared to $2,115.9 million for the year ended December 31, 2007. Cost of sales increased by $3,551.1 million or 192.1% to $5,400.1 million for the year ended December 31, 2008 compared to $1,849.0 million for the year ended December 31, 2007. Gross profit increased by $436.7 million or 163.6% to $703.6 million for the year ended December 31, 2008 compared to $266.9 million for the year ended December 31, 2007. Selling, marketing and distribution expenses increased by $168.5 million or 280.8% to $228.5 million for the year ended December 31, 2008 compared to $60.0 million for the year ended December 31, 2007. General and administration expenses increased by $156.1 million or 87.6% to $334.3 million for the year ended December 31, 2008 compared to $178.2 million for the year ended December 31, 2007. Net other income (expense) decreased by $267.8 million or 232.9% to $152.8 million net other expense for the year ended December 31, 2008 compared to $115.0 million net other income for the year ended December 31, 2007. These variations between the year ended December 31, 2008 and the year ended December 31, 2007 are mainly attributable to the fact the Reynolds Consumer, Closures and Reynolds Foodservice segments were acquired by the RGHL Group's strategic owner, Graeme Hart, in February 2008 and therefore the results of operations for the year ended December 31, 2008 includes only ten months of results for those segments and 12 months of results of the SIG and Evergreen segments. For the year ended December 31, 2007, the RGHL Group results were comprised of the SIG and Evergreen segments, which RGLH Group acquired in May 2007 and January 2007, respectively.

Share of profits in associates and joint ventures increased by $2.7 million or 75.0% to $6.3 million for the year ended December 31, 2008 compared to $3.6 million for the year ended December 31, 2008. The increase was primarily attributable to the additional period included in the results for the SIG segment's Obeikan joint venture operations.

Profit (loss) from operating activities decreased by $153.0 million or 103.9% to $5.7 million loss from operating activities for the year ended December 31, 2008 compared to $147.3 million profit from operating activities for the year ended December 31, 2007.

Financial income increased by $150.1 million or 1,042.4% to $164.5 million for the year ended December 31, 2008 compared to $14.4 million for the year ended December 31, 2007. This increase was primarily attributable to an increase of $135.0 million in net foreign exchange gains and a $20.4 million increase in interest on related party loans.

Financial expenses increased by $106.0 million or 35.0% to $408.8 million for the year ended December 31, 2008 compared to $302.8 million for the year ended December 31, 2007. This net increase was primarily attributable to $197.3 million of additional interest expense, reflecting a full year of expense on the RGHL Group's additional borrowings under the Reynolds Facility and the 2007 Notes, partially offset by a $77.2 million decrease in foreign currency exchange losses.

Income tax benefit increased by $33.1 million to $63.1 million for the year ended December 31, 2008 compared to $30.0 million for the year ended December 31, 2007. The effective tax rate for the year ended December 31, 2008 of 25.2% increased 3.9% from an effective tax rate of 21.3% for the year ended December 31, 2007. The primary factors for the change in effective tax rate included a change in the mix of jurisdictions in which the RGHL Group is subject to tax following the Reynolds Acquisition, a CFC tax benefit of $17.8 million in 2008, compared to additional CFC tax expense of $25.3 million in 2007 and non-deductible expenses of $7.8 million in 2008 compared to $37.6 million in 2007. The 2007 effective rate also included the impact of $19.2 million of non-assessable income arising on the discount on acquisition of the Evergreen segment.

Profit from discontinued operations, net of income tax, increased by $36.1 million or 457.0% to $44.0 million for the year ended December 31, 2008 compared to $7.9 million for the year ended December 31, 2007. This increase was primarily due to the inclusion of the results of the SIG Beverages segment in the RGHL Group results until it was disposed of on April 1, 2008, which resulted in a gain, net of income tax, of $37.7 million.

Depreciation of property, plant and equipment and amortization of intangible assets increased by $266.7 million or 127.2% to $476.4 million for the year ended December 31, 2008 compared to $209.7 million for the year ended December 31, 2007, primarily attributable to the acquisition of the Reynolds Consumer, Closures and Reynolds Foodservice segments on February 28, 2008.

EBITDA and Adjusted EBITDA for the year ended December 31, 2008 and December 31, 2007 were $470.7 million and $784.8 million, respectively, compared to $357.0 million and $316.1 million, respectively, for the year ended December 31, 2007.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the period ended December 31, 2008 and December 31, 2007 for the RGHL Group is as follows:

	For the Year Ended December 31,	
	2008(1)	2007(2)
	(In $ million)	
Profit from operating activities	**$ (5.7)**	**$ 147.3**
Depreciation and amortization	476.4	209.7
EBITDA	**470.7**	**357.0**
Included in the RGHL Group EBITDA:		
Business restructuring costs	78.9	23.1
Custom duties on historical imports	2.2	7.3
Equity method profit not distributed in cash	(6.3)	(3.6)
Elimination of the effect of Reynolds Consumer hedging policy	4.2	—
Transition costs	10.2	—
Unrealized (gain) loss on derivatives	160.1	(2.4)
Realized (gain) loss on derivatives novated with related party	32.8	—
Related party management fees	3.4	3.1
Black Liquor credit	—	—
Korean insurance claim	—	3.5
(Gain) on sale of non-current assets	(1.9)	—
Impact of purchase price accounting on inventory	30.5	0.5
Discount on acquisition	—	(58.5)
Auction costs	—	0.8
Release of unused provisions	—	(17.1)
Valuation of prototypes	—	2.4
RGHL Group Adjusted EBITDA	**$ 784.8**	**$ 316.1**
SIG segment	414.9	221.1
Evergreen segment	119.2	95.0
Reynolds Consumer segment	139.1	—
Closures segment	106.7	—
Reynolds Foodservice segment	9.4	—

(1) Represents the results of operations of SIG and Evergreen for the 12 months of 2008 and the results of operations of Reynolds Consumer, Closures and Reynolds Foodservice for ten months in 2008 (March 1 to December 31).

(2) Represents the consolidated results of operations of SIG for the period from May 11, 2007 to December 31, 2007 and Evergreen for 11 months in 2007, which includes the results of operations of Blue Ridge for five months in 2007.

SIG Segment

	For the Period Ended December 31,					
	2008(1)	% of Segment Revenue	2007(2)	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 1,838.2	100.0%	$ 1,135.9	100.0%	$ 702.3	61.8%
Gross profit	339.9	18.5%	185.9	16.4%	154.0	82.8%
Profit from operating activities	132.1	7.2%	50.6	4.5%	81.5	161.1%
SIG segment EBITDA	397.6	21.6%	217.2	19.1%	180.4	83.1%
SIG segment Adjusted EBITDA	414.9	22.6%	221.1	19.5%	193.8	87.7%

(1) Represents the results of operations of SIG for the 12 months of 2008.

(2) Represents the consolidated results of operations of SIG for the period from May 11, 2007 to December 31, 2007.

Revenue increased by $702.3 million or 61.8% to $1,838.2 million for the year ended December 31, 2008 compared to $1,135.9 million for the period of May 11 to December 31, 2007. This increase was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, revenue increased by $36.7 million or 3.2% to $1,172.6 million in 2008 compared to $1,135.9 million in 2007.

Sleeve sales: Revenue from sleeve sales increased by $645.2 million or 62.8% to $1,672.8 million for the year ended December 31, 2008 compared to $1,027.6 million for the period of May 11 to December 31, 2007.

Europe: Revenue from sleeve sales in Europe increased by $463.5 million or 62.0% to $1,210.9 million for the year ended December 31, 2008 compared to $747.4 million for the period of May 11 to December 31, 2007. This increase was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, sleeve sales were $764.3 million in 2008 compared to $747.5 million in 2007. During 2008, the SIG segment experienced a significant reduction in sleeve sales in Russia of $21.9 million or 26.2% primarily due to the decline in consumer purchases in the juice segment as a result of the global economic downturn. During the same period, sleeve sales in all other European markets grew by $38.6 million or at an average of 5.8% in 2008 as compared to 2007.

Rest of the World: Revenue from sleeve sales in the rest of the world markets increased by $181.7 million or 64.9% to $461.9 million for the year ended December 31, 2008 compared to $280.2 million for the period of May 11 to December 31, 2007. This increase was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, sleeve sales increased by $20.7 million or 7.4% to $300.9 million in 2008 compared to $280.2 million in 2007. The main contributors to this increase were China and South America with growth rates of 11.9% and 52.7%, respectively.

Filling machine sales: Revenue from filling machine sales increased by $57.1 million or 52.7% to $165.4 million for the year ended December 31, 2008 compared to $108.3 million for the period of May 11 to December 31, 2007. This increase was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, filling machine sales decreased by $0.9 million or 0.8% to $107.4 million in 2008 compared to $108.3 million in 2007. The decrease was primarily due to a shift in its customers' preference for the three existing methods of acquiring filling machines — sale, lease or sale and lease from third party.

Gross profit increased by $154.0 million or 82.8% to $339.9 million for the year ended December 31, 2008 compared to $185.9 million for the period of May 11 to December 31, 2007, with the gross profit margin increasing to 18.5% of revenue for the year ended December 31, 2008 compared to 16.4% of revenue for the period of May 11 to December 31, 2007. This increase in gross profit and gross profit margin was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, gross profit increased by $33.3 million or 17.9% to $219.2 million in 2008 compared to $185.9 million in 2007 primarily due to the benefits from lower manufacturing costs achieved through cost savings measures and higher net revenue in 2008 compared to 2007.

Selling, marketing and distribution expenses and general and administration expenses increased by $63.0 million or 34.4% to $246.2 million for the year ended December 31, 2008 compared to $183.2 million for the period of May 11 to December 31, 2007. This increase was primarily attributable to the additional period included in the results for the year ended December 31, 2008. For the period of May 11 to December 31, selling, marketing and distribution expenses and general and administration expenses decreased by $19.2 million or 10.5% to $164.0 million in 2008 compared to $183.2 million for 2007. This decrease was primarily due to lower research and development costs and benefits from cost savings initiatives.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2008 were $132.1 million, $397.6 million and $414.9 million, respectively, compared to $50.6 million, $217.2 million and $221.1 million, respectively, for the period ended December 31, 2007.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2008 and the period of May 11 to December 31, 2007 for the SIG segment is as follows:

	For the Period Ended December 31,	
	2008(1)	2007(2)
	(In $ million)	
Profit from operating activities	**$ 132.1**	**$ 50.6**
Depreciation and amortization	265.5	166.6
EBITDA	**397.6**	**217.2**
Included in SIG segment EBITDA:		
Non-recoverable VAT and customs duties	2.2	7.3
Release on unused provisions	—	(17.1)
Valuation of prototypes	—	2.4
Auction costs	—	0.8
(Gain) on sale of non-current assets	(1.9)	—
Business restructuring costs	14.1	16.0
Unrealized losses/(gains) on derivatives	7.8	(2.4)
Equity method joint venture profit not distributed in cash	(4.9)	(3.1)
SIG segment Adjusted EBITDA	**$ 414.9**	**$ 221.1**

(1) For the 12 months of 2008.

(2) For the period from May 11, 2007 to December 31, 2007.

Supplemental Information — SIG Aggregated Results

	For the Year Ended December 31,					
	2008(1)	% of Segment Revenue	2007(2)	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 1,838.2	100.0%	$ 1,704.7	100.0%	$ 133.5	7.8%
Gross profit	339.9	18.5%	295.7	17.3%	44.2	14.9%
Profit from operating activities	132.1	7.2%	104.9	6.2%	27.2	25.9%
SIG segment EBITDA	397.6	21.6%	318.5	18.7%	79.1	24.8%
SIG segment Adjusted EBITDA	414.9	22.6%	326.1	19.1%	88.8	27.2%

(1) Represents the results of operations of SIG for the 12 months of 2008.

(2) Represents the results of operations for the RGHL Group Predecessor for the period from January 1, 2007 to May 10, 2007 and the results of operations of SIG for the period from May 11, 2007 to December 31, 2007.

Revenue increased by $133.5 million or 7.8% to $1,838.2 million for the year ended December 31, 2008 compared to $1,704.7 million for the year ended December 31, 2007. This increase was primarily due to an increase of $128.5 million in sleeve sales as well as an increase of $5.0 million in filling machine sales. In addition, revenue for the period was favorably impacted by foreign currency fluctuations of $66 million.

Sleeve sales: Revenue from sleeve sales increased by $128.5 million or 8.3% to $1,672.8 million for the year ended December 31, 2008 compared to $1,544.3 million for the year ended December 31, 2007, which is attributed to an increase in sleeve volumes and a favorable foreign currency impact of $66 million.

Europe: Revenue from sleeve sales in Europe increased by $72.9 million or 6.4% to $1,210.9 million for the year ended December 31, 2008 compared to $1,138.0 million for the year ended December 31, 2007. Sleeve sales volume decreased by $2.9 million, partially offset by a favorable foreign currency impact of $76 million. Growth related to the Western European markets was partially offset by decreases in Russia.

Rest of the World: Revenue from sleeve sales in the rest of the world markets increased by $55.6 million or 13.7% to $461.9 million for the year ended December 31, 2008 compared to $406.3 million for the year ended December 31, 2007. Sleeve sales volume increased by $65.3 million, but was partially offset by an unfavorable foreign currency impact of $10 million. The key driver for this growth was China where sales increased by $25.5 million or 22.1% to $140.7 million for the year ended December 31, 2008 compared to $115.2 million for the year ended December 31, 2007. Growth in China was partially stalled by a raw milk shortage at the beginning of 2008, inflation driven price increases for milk during the year and the impact of the melamine contamination found in dairy products, which occurred during August 2008. In addition, the South American and the Middle East markets grew by $15.6 million or 78.0% and $9.4 million or 14.8%, respectively.

Filling machine sales: Filling machine sales increased by $5.0 million or 3.1% to $165.4 million for the year ended December 31, 2008 compared to $160.4 million for the year ended December 31, 2007. The SIG segment placed 64 filling machines in 2008 compared to 75 filling machines in 2007.

Gross profit increased by $44.2 million or 14.9% to $339.9 million for the year ended December 31, 2008 compared to $295.7 million for the year ended December 31, 2007, with the gross profit margin increasing to 18.5% of revenue for the year ended December 31, 2008 compared to 17.3% of revenue for the year ended December 31, 2007. The increase in gross profit margin was primarily due to the realization of cost savings which were partially offset by higher raw material prices.

Selling, marketing and distribution expenses and general and administration expenses decreased by $4.2 million or 1.7% to $246.1 million for the year ended December 31, 2008 compared to $250.3 million for the year ended December 31, 2007. This decrease was due to lower market allowances granted to the customers as well as cost savings achieved in overhead.

Results of operations for the year ended December 31, 2008 included a decrease in other income of $22.9 million, primarily attributable to lower fees from reduced service rendered by shared service centers to discontinued operations, lower gains on real estate sold and lower releases of unused provisions.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2008 were $132.1 million, $397.6 million and $414.9 million, respectively, compared to $104.9 million, $318.5 million and $326.1 million, respectively, for the year ended December 31, 2007.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2008 and December 31, 2007 for the SIG segment is as follows:

	For the Year Ended December 31,	
	2008(1)	2007(2)
	(In $ million)	
Profit from operating activities	**$ 132.1**	**$ 104.9**
Depreciation and amortization	265.5	213.6
EBITDA	**397.6**	**318.5**
Included in SIG segment EBITDA:		
Customs duties relating to historical imports	2.2	7.3
Release on unused provisions	—	(17.1)
Valuation of prototypes	—	5.5
Auction costs	—	1.4
(Gain) on sale of non-current assets	(1.9)	—
Business restructuring costs	14.1	16.0
Unrealized losses/(gains) on derivatives	7.8	(2.4)
Equity method profit not distributed in cash	(4.9)	(3.1)
SIG segment Adjusted EBITDA	**$ 414.9**	**$ 326.1**

(1) Represents the results of operations of SIG for the 12 months of 2008.

(2) Represents the results of operations for the RGHL Group Predecessor for the period from January 1, 2007 to May 10, 2007 and the results of operations of SIG for the period from May 11, 2007 to December 31, 2007.

Evergreen Segment

	For the Period Ended December 31,					
	2008	% of Segment Revenue	2007	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	$ 1,505.5	100.0%	$ 980.0	100.0%	$ 525.5	53.6%
Gross profit	105.9	7.0%	81.0	8.3%	24.9	30.7%
Profit from operating activities	50.9	3.4%	96.7	9.9%	(45.8)	(47.4)%
Evergreen segment EBITDA	111.2	7.4%	139.8	14.3%	(28.6)	(20.5)%
Evergreen segment Adjusted EBITDA	119.2	7.9%	95.0	9.7%	24.2	25.5%

Revenue increased by $525.5 million or 53.6% to $1,505.5 million for the year ended December 31, 2008 compared to $980.0 million for the year ended December 31, 2007. This increase was mainly attributable to the fact that the results of operations for the year ended December 31, 2008 included 12 months of results of operations of both the Evergreen and Blue Ridge businesses whereas the results of operations for the year ended December 31, 2007 included only 11 months of results of operations of the Evergreen business and five months of results of operations of the Blue Ridge business because both of those businesses were acquired during the year ended December 31, 2007. In addition, revenue increased due to an increase in prices of fresh carton packaging as a result of the renegotiations of contracts as well as increases in prices of both CGW and UFS paper products which reflected general market price increases. The increase in revenue was partially offset by lower sales of CGW and UFS due to the economic slowdown as well as to the lower sales of fresh carton packaging due to the loss of a customer contract and lower sales of filling machines.

Gross profit increased by $24.9 million or 30.7% to $105.9 million for the year ended December 31, 2008 compared to $81.0 million for the year ended December 31, 2007. This increase was mainly attributable to the fact that the results of operations for the year ended December 31, 2008 included 12 months of results of both the Evergreen and the Blue Ridge businesses whereas the results of operations for year ended December 31, 2007 included only 11 months of results of the Evergreen business and five months of results of the Blue Ridge business because both of those businesses were acquired during the year ended December 31, 2007, partially offset by an increase in cost of sales due to the significant increase in the price of raw materials and other inputs used in the manufacture of liquid packaging board, primarily LDPE, natural gas and coal, as well as an increase in transportation costs.

Selling, marketing and distribution expenses and general and administration expenses increased by $25.9 million or 47.1% to $80.9 million for the year ended December 31, 2008 compared to $55.0 million for the year ended December 31, 2007. This increase was mainly attributable to the fact that the results of operations for the year ended December 31, 2008 included 12 months of results of operations of both the Evergreen and Blue Ridge businesses whereas the results of operations for the year ended December 31, 2007 included only 11 months of results of operations of the Evergreen business and five months of results of operations of the Blue Ridge business because both of those businesses were acquired during the year ended December 31, 2007. The increase in selling, marketing and distribution expenses and general and administrative expenses was partially offset by a decrease in expenses due to workforce reductions in the sales division, human resources divisions and at the corporate executive level as well as a decrease in the cost of employee benefits resulting from the combination of the Evergreen and Blue Ridge businesses.

As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2008 were $50.9 million, $111.2 million and $119.2 million, respectively, compared to $96.7 million, $139.8 million and $95.0 million, respectively for the year ended December 31, 2007.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2008 and December 31, 2007 for the Evergreen segment is as follows:

	For the Year Ended December 31,	
	2008	2007
	(In $ millions)	
Profit from operating activities	**$ 50.9**	**$ 96.7**
Depreciation and amortization	60.3	43.1
EBITDA	**111.2**	**139.8**
Included in Evergreen segment EBITDA:		

Business restructuring costs	3.9	7.1
Transition costs	1.7	—
Impact of purchase price accounting on inventory	—	0.5
Related party management fees	3.4	3.1
Korean insurance claims	—	3.5
Discount on acquisition	—	(58.5)
Equity method profit not distributed in cash	(1.0)	(0.5)
Evergreen segment Adjusted EBITDA	**$ 119.2**	**$ 95.0**

LTM Period

SIG Segment

For the LTM Period, SIG generated revenue of $1,852.6 million, Pro Forma Adjusted EBITDA of $518.4 million and profit from operating activities of $222.9 million.

Evergreen Segment

For the LTM Period, Evergreen generated revenue of $1,507.3 million and Pro Forma Adjusted EBITDA of $170.7 million and profit from operating activities of $193.2 million.

Reynolds Consumer

For the LTM Period, Reynolds Consumer generated revenue of $1,176.2 million, Pro Forma Adjusted EBITDA of $278.5 million and profit from operating activities of $191.0 million.

Closures Segment

For the LTM Period, Closures generated revenue of $1,064.5 million, Pro Forma Adjusted EBITDA of $156.0 million and profit from operating activities of $66.4 million.

Reynolds Foodservice

For the LTM period, Reynolds Foodservice generated revenue of $653.8 million, Pro Forma Adjusted EBITDA of $40.6 million and profit from operating activities of $13.9 million.

Liquidity and Capital Resources

Historical Cash Flows

The following table discloses the RGHL Group's cash flows from continuing operations for the periods presented:

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2010	2009	2009(1)	2008(2)	2007(3)
			(In $ millions)		
Net cash flows from (used in) operating activities	189.1	364.1	769.8	450.6	115.4
Net cash flows from (used in) investing activities	(163.1)	(131.9)	(135.3)	(2,721.7)	(2,032.1)
Net cash flows from (used in) financing activities	96.0	(117.9)	(500.6)	2,347.3	2,178.7

(1) Represents the results of operations of SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice for the full year 2009.

(2) Represents the results of operations of SIG and Evergreen for the full year 2008 and the results of operations of Reynolds Consumer, Closures and Reynolds Foodservice for ten months in 2008 (March 1 to December 31).

(3) Represents the consolidated results of operations of SIG for the period from May 11, 2007 to December 31, 2007 and Evergreen for 11 months in 2007, which includes the results of operations of Blue Ridge for five months in 2007.

Cash Flow from (used in) Operating Activities

Cash flows from operating activities for the six months ended June 30, 2010 generated a net cash inflow of $189.1 million compared to a net cash inflow of $364.1 million for the six months ended June 30, 2009. The $175.0 million net inflow decrease reflects the impact of changes in the RGHL Group's working capital position and additional interest payments. This increase in interest payments reflects the increase in indebtedness as a result of the RGHL Transaction.

Cash flows from operating activities for the year ended December 31, 2009 generated a net cash inflow of $769.8 million compared to a net cash inflow of $450.6 million for the year ended December 31, 2008. The $319.2 million net inflow increase reflected a combination of the increase in profit associated with the additional two months of results for Reynolds Consumer, Closures and Reynolds Foodservice included for the year ended December 31, 2009, partially offset by changes in working capital and a $54.8 million increase in income tax payments.

Cash flows from operating activities for the year ended December 31, 2008 generated a net cash inflow of $450.6 million compared to a net cash inflow of $115.4 million for the year ended December 31, 2007. The $335.2 million net inflow increase was primarily due to the contribution of the Reynolds Consumer, Closures and Reynolds Foodservice businesses, partially offset by $164.5 million of additional interest payments and $36.7 million of additional tax payments. In addition, the RGHL Group's cash flows from operating activities during 2008 reflected a full 12 month period of operations for the SIG and Evergreen segments, plus ten months of operations for the Reynolds Consumer, Closures and Reynolds Foodservice segments. The cash flows from operating activities for the period ended December 31, 2007 only represent the cash flows associated with the SIG segment from May 11, 2007 and the Evergreen segment for 11 months (which includes the results of operations of Blue Ridge for five months). Similarly the additional interest payments reflect the cost of funding for these operations, including a full 12-month period of cash outflow for interest payments in 2008 in respect of both the SIG Acquisition and the Initial Evergreen Acquisition.

Cash Flow from (used in) Investing Activities

Cash flows from investing activities for the six months ended June 30, 2010 resulted in a net cash outflow of $163.1 million compared to a net cash outflow of $131.9 million for the six months ended June 30, 2009. The increase in the net cash outflows from investing activities is principally due to the $45.8 million cash outflow for the acquisition of CSI Americas and the Whakatane Paper Mill.

Cash flows from investing activities for the year ended December 31, 2009 resulted in a net cash outflow of $135.3 million compared to a net cash outflow of $2,721.7 million for the year ended December 31, 2008. The primary driver for the decrease in the net cash out flow for the year ended December 31, 2009 was the Reynolds Acquisition during 2008 for total consideration of $2,613.4 million.

Cash flows from investing activities for the year ended December 31, 2008 resulted in a net cash outflow of $2,721.7 million compared to a net cash outflow of $2,032.1 million for the year ended December 31, 2007, primarily due to the timing of related party advances to RGHL and investments in capital expenditures. In addition, for the year ended December 31, 2008 cash out flow associated with the Reynolds Acquisition was $2,613.4 million as compared to the net cash out flow for the year ended December 31, 2007 which included $2,639.3 million related to the SIG Acquisition and the Initial Evergreen Acquisition.

Refer also to the "Capital Expenditures" section for additional information regarding expenditures on property, plant and equipment and intangible assets.

Cash Flow from (used in) Financing Activities

Cash flows from financing activities for the six months ended June 30, 2010 resulted in a net cash inflow of $96.0 million compared to a net cash outflow of $117.9 million for the six months ended June 30, 2009. Cash flows from financing activities for the six months ended June 30, 2010 consisted principally of (i) drawdown of borrowings of $1,800.0 million, partially offset by the Evergreen Acquisition (excluding the Whakatane Paper Mill) of $1,582.0 million, (ii) payment of debt issue costs related to the RGHL Acquisition and Evergreen Acquisition of $58.6 million, and (iii) repayment of the Evergreen revolving credit facility of $10.5 million. Cash flows from financing activities for the six months ended June 30, 2009 mainly consisted of (i) net repayments of loans and borrowings of $192.9 million and (ii) payment of $34.2 million of debt issuance costs, primarily related to the refinancing of the Reynolds Facility, partially offset by a drawdown of the Reynolds Facility of $95.0 million.

Financing activities for the year ended December 31, 2009 resulted in a net cash outflow of $500.6 million compared to a net cash inflow of $2,347.3 million in the year ended December 31, 2008. The net cash outflow for the year ended December 31, 2009 reflected the common control cash out flow of $1,678.3 million to acquire the Reynolds Consumer and Closures businesses net of the debt refinancing completed during the period and $578.2 million of cash proceeds on the issuance of additional equity. During the year ended December 31, 2009, the RGHL Group's proceeds from borrowings of $3,293.2 million were partially offset by the $1,500.6 million repayment of the Reynolds Facility and the $742.0 million repayment of the SIG Senior Credit Facilities combined with $150.1 million of transaction related cash outflows. The net cash inflows for the year ended December 31, 2008 reflected proceeds of $1,500.0 million from borrowings used to fund the Reynolds Acquisition, net of $189.7 million of debt repayments and $22.1 million of debt issuance transaction costs and proceeds of $1,051.4 million on the issuance of equity associated with the Reynolds Acquisition.

Cash flow from financing activities for the year ended December, 31 2008 resulted in a net cash inflow of $2,347.3 million compared to a net cash inflow of $2,178.7 million in the year ended December 31, 2007. The net cash inflow for the year ended December 31, 2008 reflected proceeds of $1,500.0 million in borrowings used to fund the Reynolds Acquisition, net of $189.7 million of debt repayments and $22.1 million of debt transaction costs and proceeds of $1,051.4 million on the issuance of equity associated with the Reynolds Acquisition. The net cash inflows for the year ended December 31, 2007 reflected $2,032.2 million and $647.0 million in cash proceeds from borrowings used to fund the SIG Acquisition and Initial Evergreen Acquisition, respectively, net of $465.9 million in debt repayments and $108.3 million of debt transaction costs.

Capital Expenditures

	For the Six Months Ended June 30,		For the Year Ended December 31,		
	2010	2009	2009(1)	2008(2)	2007(3)
			(In $ million)		
Property, plant and equipment (excluding filling machines)	$ 91.0	$ 91.6	$ 174.0	$ 180.3	$ 89.2
Filling machines	29.1	34.4	70.3	76.8	52.0
Other assets	5.3	36.9	48.1	31.3	21.7
Total capital expenditures for continuing operations	**125.4**	**162.9**	**292.4**	**288.4**	**162.9**
Discontinued operations	—	—	—	—	—
Total capital expenditures	**$ 125.4**	**$ 162.9**	**$ 292.4**	**$ 288.4**	**$ 162.9**

(1) Represents the results of operations of SIG, Evergreen, Reynolds Consumer, Closures and Reynolds Foodservice for the full year 2009.

(2) Represents the results of operations of SIG and Evergreen for the full year 2008 and the results of operations of Reynolds Consumer, Closures and Reynolds Foodservice for ten months in 2008 (March 1 to December 31).

(3) Represents the consolidated results of operations of SIG for the period from May 11, 2007 to December 31, 2007 and Evergreen for 11 months in 2007, which includes the results of operations of Blue Ridge for five months in 2007.

Capital expenditures decreased by $37.5 million or 23.0% to $125.4 million for the six months ended June 30, 2010 compared to $162.9 million for the six months ended June 30, 2009, largely due to decreased expenditures associated with the completion of software projects within the SIG, Reynolds Consumer, Closures and Reynolds Foodservice segments during 2009.

Capital expenditures increased by $4.0 million or 1.4% to $292.4 million for the year ended December 31, 2009 compared to $288.4 million for the year ended December 31, 2008. This increase was primarily due to an increase of $23.9 million in costs associated with software and technology in the Reynolds Consumer segment as a result of the implementation of the Oracle software system during the year, partially offset by a reduction in capital expenditure for property, plant and equipment, particularly in the SIG segment. Capital expenditures increased by $125.5 million or 77.0% to $288.4 million for the year ended December 31, 2008 compared to $162.9 million for the year ended December 31, 2007. This increase was primarily due to including the Reynolds Consumer, Reynolds Foodservice and Closures segments after February 2008.

Capital Resources

The RGHL Group has substantial debt and debt service obligations. As of June 30, 2010, the RGHL Group's aggregated total borrowings were $5,714.7 million. The RGHL Group may also incur additional debt in the future.

The Existing Senior Secured Credit Facilities include revolving facilities of $120.0 million and €80.0 million. As of June 30, 2010, these revolving tranches were utilized in the amount of $20.7 million and €20.0 million in the form of bank guarantees and letters of credit. Also, as of June 30, 2010, the RGHL Group had $750 million available to be borrowed as incremental term loans under its Existing Incremental Senior Secured Credit Facilities.

Sources of Liquidity

The RGHL Group's sources of liquidity for the future are expected to be its existing cash resources, cash flows from operations, drawings under the revolving credit facilities of its Existing Senior Secured Credit Facilities and local working capital facilities. In addition to its cash and cash equivalents, as of June 30, 2010, the RGHL Group had $99.3 million and €60.0 million available for drawing under its revolving credit facilities and $750 million under its incremental tranche of the Existing Senior Secured Credit Facilities.

If the RGHL Group is required to borrow additional amounts under its revolving credit facility, its New Incremental Senior Secured Credit Facilities or its other local working capital facilities, the RGHL Group may be restricted from doing so by the terms of such indebtedness or other indebtedness (including the May 2010 Notes, the 2009 Notes, the 2007 Notes and the notes), including financial maintenance covenants and other conditions.

We believe that the RGHL Group's cash flows from operations and its existing available cash, together with its other available external financing sources, will be adequate to meet its future liquidity needs for the next twelve months. The RGHL Group is currently in compliance in all material respects with the covenants under its Existing Senior Secured Credit Facilities and its other outstanding indebtedness (including the May 2010 Notes, the 2009 Notes, the 2007 Notes and the notes).

The RGHL Group's future operating performance and its ability to service or refinance the Existing Senior Secured Credit Facilities, the May 2010 Notes, the 2009 Notes, the 2007 Notes and the notes and other indebtedness are subject to economic conditions and financial, business and other factors, many of which are beyond its control.

Contractual Obligations

The following table summarizes the RGHL Group's material obligations as of June 30, 2010:

	Payments due by Period as of June 30, 2010			
	Total	Less than 1 Year	1-5 Years	Greater than 5 Years
	(In $ millions)			
Contractual obligations:				
Trade creditors	$ 842.7	$ 842.7	$ —	$ —
Total debt(1)	9,062.7	552.7	2,845.3	5,664.7
Operating leases	123.9	29.7	78.7	15.5
Unconditional capital expenditure obligations(2)	26.8	26.8	—	—
Total contractual cash obligations	**$ 10,056.1**	**$ 1,451.9**	**$ 2,924.0**	**$ 5,680.2**

(1) Total repayments of financial liabilities consist of the principal amounts, fixed and floating rate interest obligations and the cash flows associated with commodity and other derivative instruments. The interest rate on the floating rate debt balances has been assumed to be the same as the rate during the month of June 2010. Both the one-month LIBOR and EURIBOR rates during the month of June 2010 were below the floor rate established in accordance with the respective agreements.

(2) Unconditional purchase obligations consist of capital expenditure obligations.

As most of the RGHL Group's planned capital expenditures are not currently committed, the future capital expenditures will substantially exceed the amounts shown above. In addition actual future expenditures for the other items shown above could exceed the amounts shown due to changes in its business plan, operating results or other factors.

Contingent Liabilities

The RGHL Group's contingent liabilities are primarily comprised of guarantees given to banks granting credit facilities to its joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Off-Balance Sheet Arrangements

The RGHL Group currently has no material off-balance sheet obligations.

Pro Forma Sources of Liquidity

The RGHL Combined Group's sources of liquidity for the future are expected to be its existing cash resources, cash flows from operations, drawings under the revolving credit facilities of its Senior Secured Credit Facilities and local working capital facilities. In addition to its cash and cash equivalents, as of June 30, 2010, the RGHL Combined Group had $99.3 million and €60.0 million available for drawing under its revolving credit facilities.

If the RGHL Combined Group is required to borrow additional amounts under its revolving credit facility or other local working capital facilities, the RGHL Combined Group may be restricted from doing so by the terms of such indebtedness or other indebtedness (including the Senior Secured Credit Facilities, the May 2010 Notes, the 2009 Notes, the 2007 Notes and the notes), including financial maintenance covenants and other conditions.

We believe that the RGHL Combined Group's cash flows from operations and its existing available cash, together with its other available external financial sources, will be adequate to meet its future liquidity needs for the next twelve months.

The RGHL Combined Group's future operating performance and its ability to service or refinance the Senior Secured Credit Facilities, the May 2010 Notes, the 2009 Notes, the 2007 Notes and the notes and other indebtedness are subject to economic conditions and financial, business and other factors, many of which are beyond its control.

Pro forma Contractual Obligations

The pro forma long-term contractual obligations of the RGHL Combined Group at June 30, 2010 are estimated as follows:

		Due in		
	Total	Less than 1 year	1 to 5 years	More than 5 years
	(In $ millions)			
Trade creditors	$ 1,201	$ 1,166	$ 35	$ —
Debt obligations(i)	18,260	994	6,578	10,689
Operating lease obligations	297	63	164	70
Purchase obligations(ii)	420	326	94	—
Total	$ 20,178	$ 2,549	$ 6,870	$ 10,759

(i) Includes principal and interest obligations on fixed and floating rate notes, cash flows associated with commodity and other derivative instruments, and finance lease obligations. The interest rate on floating rate debt balances has been assumed to be the same as the rate during the month of June 2010. Both the one-month LIBOR and EURIBOR rates during the month of June 2010 were below the floor rate established in accordance with the respective agreements.

(ii) Includes capital expenditure commitments, minimum supply agreement purchases at current market prices and other long-term vendor agreements with specific payment provisions and early termination penalties.

Qualitative and Quantitative Disclosures about Market Risk

In the normal course of business the RGHL Group is subject to risk from adverse fluctuations in interest and foreign exchange rates and commodity prices. The RGHL Group manages these risks through a combination of an appropriate mix between variable rate and fixed rate borrowings and natural offsets of foreign currency receipts and payments, supplemented by forward foreign exchange contracts and commodity derivatives. Derivative contracts are not used for trading or speculative purposes. The extent to which it uses

derivative instruments is dependent upon the RGHL Group's access to them in the financial markets and its use of other risk management methods, such as netting exposures for foreign exchange risk and establishing sales arrangements that permit the pass-through to customers of changes in commodity prices. The RGHL Group's objective in managing its exposure to market risk is to limit the impact on earnings and cash flow.

Interest Rate Risk

The RGHL Group had significant debt commitments outstanding as of June 30, 2010. These on-balance sheet financial instruments, to the extent they provide for variable rates of interest, expose the RGHL Group to interest rate risk. The RGHL Group's interest rate risk arises primarily on significant borrowings that are denominated in dollars and euro that are drawn under its Original Senior Secured Credit Facilities and Existing Incremental Senior Secured Credit Facilities. This agreement includes an interest rate floor of 2% per annum on the drawings made in November 2009 under the Original Senior Secured Credit Facilities as part of the RGHL Transaction and an interest rate floor of 1.5% per annum on the drawings made in May 2010 under the Existing Incremental Senior Secured Credit Facilities as part of the Evergreen Transaction. During the six months ended June 30, 2010, the RGHL Group paid interest under this facility based on the respective 2% and 1.5% LIBOR floors, plus the applicable margins, as the LIBOR and EURIBOR rates were below 1.5%.

The RGHL Group is also exposed to interest rate risks arising from deposits which earn interest at floating rates.

The RGHL Group has adopted a policy, which is consistent with the covenants under the Original Senior Secured Credit Facilities and Existing Incremental Senior Secured Credit Facilities, to ensure that at least 50% of the RGHL Group's overall exposures to changes in interest rates on borrowings are on a fixed rate basis.

The underlying LIBOR and EURIBOR rates as of June 30, 2010 were 1.17% and 1.32%, respectively. Based on assets and liabilities held as of June 30, 2010, a one-year time frame and all other variables, in particular foreign exchange rates, remaining constant, a 1% increase in interest rates would increase the interest expense on the $1,035 million senior secured term loan facility by $1.7 million and on the $800 million incremental facility by $5.4 million, and would increase the interest expense on the €250 million Euro tranche of the Original Senior Secured Credit Facilities by $1.0 million. As a result of the LIBOR floor under its Existing Senior Secured Credit Facilities and its Existing Incremental Senior Secured Credit Facilities, a 1% decrease in interest rates would have no impact on the RGHL Group's interest expense on these borrowings.

Foreign Currency Exchange Rate Risk

As a result of the RGHL Group's international operations, it is exposed to foreign exchange risk arising from sales, purchases, assets and borrowings that are denominated in foreign currencies. The currencies in which these transactions primarily are denominated are the euro, Swiss Franc, Thai Baht, Chinese Yuan Renminbi, Brazilian Real, British Pound, Japanese Yen, Mexican Peso, Canadian Dollar, Korean Won, Taiwanese Dollar and New Zealand Dollar.

In accordance with its treasury policy, the RGHL Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, it borrows in the same currencies in which cash flows from operations are generated. Generally the RGHL Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate it may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions. As of June 30, 2010, the RGHL Group had no significant forward foreign exchange contracts outstanding.

The RGHL Group generally does not hedge its exposure to translation gains or losses in respect of its non-dollar functional currency assets or liabilities.

Commodity Risk

The RGHL Group is exposed to commodity and other price risk principally from the purchase of resin, natural gas, electricity, raw cartonboard, aluminum and steel. It generally enters into commodity financial instruments or derivatives to hedge commodity prices related to resin, natural gas and aluminum. All other commodities are generally purchased at spot market prices. The RGHL Group's accounting policy is to recognize the gain or loss on measurement of the commodity derivatives within other income or other expense in the statement of comprehensive income.

The RGHL Group's objective is to ensure that its commodity and other price risk exposure is kept at an acceptable level.

Resin Derivative Contracts

The RGHL Group enters into resin futures to hedge its exposure to resin price fluctuations. We believe these contracts manage the RGHL Group's price risk by reference to the difference between the fixed contract price and the market price.

At June 30, 2010, the RGHL Group held 25 futures contracts for resin. Contracted volumes of 5,320 tons have been fixed at a range of prices between $1,330 and $1,425 per ton, for delivery from July 2010 to December 2010.

During the six months ended June 30, 2010, the RGHL Group recognized a $1.2 million unrealized loss in other expenses in the profit and loss component of the statement of comprehensive income.

The impact on the profit and loss component of the statement of comprehensive income from a revaluation of resin contracts at June 30, 2010 assuming a 10% parallel upwards movement in the price curve used to value the contracts is a loss of $0.1 million assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the profit and loss component of the statement of comprehensive income.

Aluminum Derivative Contracts

The RGHL Group enters into aluminum swap contracts to hedge its exposure to aluminum price fluctuations. These contracts effectively manage price risk by reference to the difference between the fixed contract price and the market price. That difference is paid or received after the trading period.

At June 30, 2010, the RGHL Group held a number of aluminum swap contracts. Contracted volumes of approximately 46,300 metric tons have been fixed at a range of prices for delivery from July 2010 to January 2012. During the six months ended June 30, 2010, the RGHL Group recognized a $14.9 million unrealized loss in other expenses in the profit and loss component of the statement of comprehensive income.

The impact on the profit and loss component of the statement of comprehensive income from a revaluation of aluminum swap contracts at June 30, 2010 assuming a 10% parallel upwards movement in the price curve used to value the contracts is $1.5 million assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the profit and loss component of the statement of comprehensive income.

Natural Gas Derivative Contracts

The RGHL Group enters into natural gas swaps to hedge its exposure to natural gas price fluctuations. These contracts effectively manage price risk by reference to the difference between the fixed contract price and the market price. That difference is paid or received after the trading period.

At June 30, 2010, the RGHL Group held a number of contracts for price differences covering periods from July 2010 to March 2011. Contracted volumes of approximately 2,100,000 MMBtu have been fixed at a range of prices between $4.84 and $6.27 per MMBtu for delivery from July 2010 to March 2011. During the six months ended June 30, 2010 the RGHL Group recognized a $0.7 million unrealized loss on natural gas derivative contracts in other expenses in the profit and loss component of the statement of comprehensive income.

The impact on the profit and loss component of the statement of comprehensive income from a revaluation of natural gas contracts at June 30, 2010, assuming a 10% parallel upwards movement in the price curve used to value the contracts is nil assuming all other variables remain constant.

Pension Plans

The RGHL Group has continued to sponsor a number of pension plans, including both defined contribution and defined benefit plans, during the six months ended June 30, 2010.

The RGHL Group makes contributions to defined benefit plans, which define an amount of pension benefit that an employee will receive on retirement and are calculated based on the advice of the plan's actuaries. The last actuarial assessments were performed by independent actuaries at December 31, 2009.

Contributions to defined contribution plans are generally based on a percentage of the individual's salary or wages.

Recently Issued Accounting Pronouncements

Business Combinations

IFRS 3 Revised "Business Combinations" replaces the existing requirements in accounting for business combinations in IFRS 3 "Business Combinations". IFRS 3 Revised is applicable, on a prospective basis, for any business combination completed in annual reporting periods beginning on or after January 1, 2010. IFRS 3 Revised amends certain measurement and recognition requirements, including expensing of all transaction costs and subsequent changes in the remeasurement of contingent consideration through the profit and loss element of the statement of comprehensive income. IFRS 3 Revised also provides additional guidance in relation to the recognition and measurement of certain acquired identifiable intangible assets such as reacquired rights and vendor indemnities.

Consolidation

IAS 27 Revised "Consolidated and Separate Financial Statements" replaces the existing requirements for the preparation of consolidated financial statements in IAS 27 "Consolidated and Separate Financial Statements". IAS 27 Revised is applicable on a prospective basis in annual reporting periods beginning on or after January 1, 2010. IAS 27 Revised amends the recognition and measurement requirements associated with accounting for changes in ownership interests of an investment in a subsidiary whilst maintaining control. Under IAS 27 Revised these transactions are recognized as an equity transaction. IAS 27 Revised also amends the accounting when there is a loss of control of a subsidiary. Any interest in the remaining former subsidiary is remeasured at fair value and the gain or loss is recognized in the income statement.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of the material terms and conditions of RGHL's and Pactiv's material debt instruments. The summary is not complete and may not contain all of the information that is important to you. For the purposes of this summary, a reference to "group" is a reference to RGHL and its subsidiaries from time to time.

RGHL Group Indebtedness

Senior Secured Credit Facilities

Overview

On November 5, 2009, RGHL and certain subsidiaries of RGHL entered into a Senior Secured Credit Agreement (the "Senior Secured Credit Agreement"), pursuant to which certain lenders extended loans and commitments to the borrowers thereunder in aggregate principal amounts equal to $1,155 million and €330.0 million. The proceeds of the term loans made under the Senior Secured Credit Agreement on November 5, 2009 were used to fund a portion of the RGHL Transaction.

On May 4, 2010, in connection with the Evergreen Transactions, RGHL and certain subsidiaries of RGHL entered into an amendment to the Senior Secured Credit Agreement and borrowed incremental term loans in an aggregate principal amount of $800.0 million (the "U.S. Tranche C Term Loans") thereunder. The proceeds of the U.S. Tranche C Term Loans were applied, along with the proceeds from the issuance of the May 2010 Notes and available cash (i) to finance the Evergreen Acquisition, (ii) to repay $43.1 million under the GE Facility, (iii) to finance the acquisition of the Whakatane Mill, and (iv) to pay related fees and expenses related to the foregoing.

On September 30, 2010 (the "Amendment Date"), RGHL and certain subsidiaries of RGHL entered into another amendment to the Senior Secured Credit Agreement. This amendment provided for an increase in the amount available to be extended under the Senior Secured Credit Agreement in the form of incremental loans and various other changes to the Senior Secured Credit Agreement's terms. RGHL also received commitments from various lenders for Incremental Tranche A Term Loans (the "New Incremental Tranche A Term Loans") in an aggregate principal amount of $500.0 million and Incremental Tranche D Term Loans (the "New Incremental Tranche D Term Loans" and, together with the New Incremental Tranche A Term Loans, the "New Incremental U.S. Term Loans") in an aggregate principal amount of $1,520 million, which loans must be drawn in a single drawing on, or in escrow prior to, the closing of the Pactiv Acquisition. The proceeds of the New Incremental U.S. Term Loans will be applied along with the proceeds from the issuance of the notes and available cash (i) to finance the Pactiv Acquisition, (ii) to repay, repurchase, redeem or otherwise retire certain indebtedness of Pactiv and (iii) to pay fees, expenses and transaction costs related to the foregoing.

In connection with these amendments, the interest rate margin on our U.S. Tranche B Term Loans, U.S. Tranche C Term Loans and European Term Loans was increased by 0.50% per annum.

Structure

The Senior Secured Credit Facilities consist of the following:

- $1,035.0 million of U.S. term loans (the "U.S. Tranche B Term Loans"), which were borrowed by Reynolds Consumer Products Holdings Inc. and Reynolds Group Holdings Inc. ("RGHI");
- $800.0 million of U.S. Tranche C Term Loans which were borrowed by RGHI;
- the incremental term loans to be borrowed by RGHI or Reynolds Acquisition Corporation, if it satisfies certain requirements, on or in escrow prior to the closing date of the Pactiv Acquisition, consisting of up to $500.0 million of New Incremental Tranche A Term Loans and up to $1,520.0 million of New Incremental Tranche D Term Loans;
- €250.0 million of European term loans (the "European Term Loans"), which were borrowed by SIG Euro Holding AG & Co KGaA and SIG Austria Holding GmbH;
- a U.S. revolving credit facility of $120.0 million (of which up to $50.0 million may be drawn by way of letters of credit), which is available to Reynolds Consumer Products Holdings Inc. and Closure Systems International Holdings Inc.; and

- a European revolving credit facility of €80.0 million (of which up to €50.0 million may be drawn by way of letters of credit), which is available to Closure Systems International B.V., SIG Austria Holding GmbH and SIG Euro Holding AG & Co. KGaA.

After giving effect to the incurrence of the New Incremental U.S. Term Loans, the remaining amount available to be borrowed as incremental loans under the Senior Secured Credit Agreement will be $750.0 million (the "Incremental Facility Amount"). Any borrower may by written notice to the agent under the Senior Secured Credit Agreement indicate that it wishes to have incremental term or revolving facilities in U.S. dollars, euro or other designated currencies in an amount of up to $750.0 million (or the equivalent thereof) in the aggregate, less any amounts used to incur certain specified permitted indebtedness. Such $750.0 million in additional incremental facilities is uncommitted, and the existing lenders may agree or decline to participate in the incremental facilities in their sole discretion. The Senior Secured Credit Agreement provides that, to the extent incremental term loans or incremental revolving commitments are used concurrently with the incurrence thereof to refinance term loans and revolving credit commitments outstanding under the Senior Secured Credit Agreement, such usage will not reduce the otherwise available Incremental Facility Amount.

Incremental lenders, including the lenders under the U.S. Tranche C Term Loans, the New Incremental Tranche A Term Loans and the New Incremental Tranche D Term Loans, share, to the extent possible, in the collateral securing the Senior Secured Credit Facilities (and the 2009 Notes and the Senior Secured Notes) on a *pari passu* basis.

Repayment, Prepayments and Amortization

The U.S. and European revolving facilities will mature on November 5, 2014. The New Incremental Tranche A Term Loans will mature on August 6, 2015. The European Term Loans will mature on November 5, 2015, and the U.S. Tranche B Term Loans, the U.S. Tranche C Term Loans and the New Incremental Tranche D Term Loans will mature on May 5, 2016.

In addition, the outstanding term loans under the Senior Secured Credit Facilities are required to be prepaid with (a) up to 50% of excess cash flow (which will be reduced to 25% if certain senior secured leverage ratios are met), (b) 100% of the net cash proceeds of certain asset dispositions (provided that a portion of the net cash proceeds of an asset disposition of collateral may be used to prepay or repurchase the 2009 Notes and the Senior Secured Notes to the extent required under the indentures governing the 2009 Notes and the Senior Secured Notes, as applicable), subject to certain thresholds and reinvestment exceptions and (c) 100% of the net proceeds of debt that is incurred in violation of the Senior Secured Credit Agreement and debt incurred in connection with permitted receivables financings.

Indebtedness under the Senior Secured Credit Agreement may be voluntarily prepaid in whole or in part, subject to minimum amounts and break funding costs. Voluntary prepayments of the New Incremental Tranche D Term Loans made on or prior to the first anniversary of the closing date of the Pactiv Acquisition in connection with certain repricing transactions are subject to a prepayment fee equal to 1.00% of the aggregate principal amount of such prepayment.

The European Term Loans amortize in quarterly installments from March 31, 2010 through the maturity date according to the following schedule:

Year	Annual Repayment Percentage
2010	2.5%
2011	5.0%
2012	7.5%
2013	10.0%
2014	10.0%
2015	65.0%

The U.S. Tranche B Term Loans and the U.S. Tranche C Term Loans amortize in quarterly installments with respect to the principal amounts outstanding as of May 4, 2010 from September 30, 2010 through the maturity date according to the following schedule:

Year	Annual Repayment Percentage
2010	1.25%
2011	3.75%
2012	6.25%
2013	8.75%
2014	10.0%
2015	10.0%
2016	60.0%

The New Incremental Tranche A Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 10.00% of the principal amount thereof outstanding on the Pactiv Acquisition closing date, with the balance payable in full on the maturity date thereof. The New Incremental Tranche D Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the principal amount thereof outstanding on the Pactiv Acquisition closing date, with the balance payable in full on the maturity date thereof. The first amortization payment on the New Incremental Tranche A Term Loans and the New Incremental Tranche D Term Loans is due at the end of the first full fiscal quarter following the consummation of the Pactiv Acquisition.

Interest Rate and Fees

The rate of interest on loans under each of the Senior Secured Credit Facilities for each interest period is the percentage rate per annum equal to the sum of:

(i) the applicable margin; and

(ii) (A) in the case of ABR borrowings, the greatest of (1) the agent's prime rate in effect from time to time, (2) the Federal funds effective rate in effect from time to time plus ½ of 1.00% and (3) the Adjusted LIBO Rate (as defined below) for a three month interest period plus 1.00%;

(B) in the case of Eurocurrency borrowings denominated in U.S. dollars, the greater of (1) the LIBO rate for the interest period in effect multiplied by statutory reserves and (2) 2% per annum (the "LIBOR Floor") (such rate, the "Adjusted LIBO Rate"), except that the LIBOR Floor for the U.S. Tranche C Term Loans is 1.5% and the LIBOR Floor for the New Incremental Tranche A Term Loans and the New Incremental Tranche D Term Loans is 1.75%;

(C) in the case of Eurocurrency borrowings denominated in Euro, the greater of (1) the EURIBO rate for the interest period in effect plus the mandatory cost and (2) 2.00% per annum;

(D) in the case of FBR borrowings denominated in Euro, the greatest of (i) the agent's prime rate for short-term loans in Euro, (ii) the EONIA rate in effect on such day plus ½ of 1.00%, (iii) the EURIBO Rate for a three month interest period plus 1% and (iv) 3.00% per annum; and

(E) in the case of FBR borrowings denominated in a foreign currency other than Euro, the rate defined in the applicable incremental loan agreement.

The applicable margin is equal to (i) with respect to any Eurocurrency term loan that is a European Term Loan, U.S. Tranche B Term Loan, U.S. Tranche C Term Loan or New Incremental Tranche D Term Loan, 4.75% per annum, (ii) with respect to any ABR or FBR term loan that is a U.S. Tranche B Term Loan, U.S. Tranche C Term Loan, New Incremental Tranche D Term Loan or European Term Loan, 3.75% per annum, (iii) with respect to any Eurocurrency term loan that is a New Incremental Tranche A Term Loan, 4.50% per annum, (iv) with respect to any ABR Term Loan that is a New Incremental Tranche A Term Loan, 3.50% per annum, (v) with respect to any Eurocurrency revolving loan, 4.50% per annum and (vi) with respect to any ABR or FBR revolving loan, 3.50% per annum. For a sensitivity analysis on interest rates, see "Unaudited Pro Forma Combined Financial Information."

If there is a payment default at any time, then the interest rate applicable to overdue principal will be the rate otherwise applicable to such loan plus 2.00% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.00% per annum above the amount that would apply to an ABR or FBR loan of the same currency.

The borrowers are required to pay a commitment fee equal to 2.00% per annum on undrawn and uncancelled amounts of the U.S. and European revolving credit facilities. The borrowers are required to pay an unused fee to the lenders of the New Incremental U.S. Term Loans on the outstanding daily aggregate principal amount of the commitments with respect to the New Incremental U.S. Term Loans, such fee starting to accrue upon the Amendment Date and ending on the earlier of (i) the day the New Incremental U.S. Terms Loans are made or (ii) the commitments thereof are terminated. Such fee is calculated at a rate equal to 50% of the applicable margin for the applicable tranche of New Incremental U.S. Term Loans for the first 60 days and is thereafter equal to the full applicable margin for such tranche. The borrowers are also required to pay certain arrangement fees to certain lenders in connection with the syndication of the New Incremental U.S. Term Loans and agency fees to the agent under the Senior Secured Credit Facilities, in the amounts and at the times agreed between the relevant parties.

The borrowers are required to pay to each U.S. and European revolving lender a letter of credit participation fee, calculated at the rate equal to the margin applicable to Eurocurrency loans under the revolving credit facilities, on the outstanding amount of such lender's pro rata percentage of U.S. or European letter of credit exposure, as the case may be. The relevant borrower is also required to pay any letter of credit issuing bank the fronting, issuing and drawing fees specified from time to time by such issuing bank.

Guarantees and Security

All obligations under the Senior Secured Credit Facilities are or will be guaranteed by RGHL and certain of its direct and indirect subsidiaries that guarantee the notes, including the borrowers under the Senior Secured Credit Facilities, the Issuers and Pactiv and certain of its subsidiaries, subject to certain legal and tax limitations and other agreed exceptions.

All obligations under the Senior Secured Credit Facilities, and the guarantee of those obligations (as well as obligations under certain hedging agreements, certain local working capital facilities and certain cash management obligations), are secured by certain assets of RGHL, the borrowers and certain of the other guarantors under the Senior Secured Credit Facilities, subject to certain agreed limitations. Pursuant to the First Lien Intercreditor Agreement, the security interests over such assets are or will be of equal priority with the liens on the same collateral securing the 2009 Notes, the Senior Secured Notes and other future first lien obligations. The Senior Secured Credit Facilities may also have security over certain assets that do not secure the 2009 Notes and the Senior Secured Notes.

Covenants

The Senior Secured Credit Agreement contains financial, affirmative and negative covenants that we believe are usual and customary for a senior credit facility of this type. The negative covenants in the Senior Secured Credit Agreement include limitations (subject to agreed exceptions) on the ability of RGHL and its material subsidiaries to:

- incur additional indebtedness (including guarantees);
- incur liens;
- enter into sale and lease-back transactions;
- make investments, loans and advances;
- implement mergers, consolidations and sales of assets;
- make restricted payments or enter into restrictive agreements;
- enter into transactions with affiliates on non-arm's length terms;
- change the business conducted by RGHL and its subsidiaries;
- prepay, or make redemptions and repurchases of specified indebtedness;

- amend certain material agreements governing specified indebtedness;
- amend the organizational documents of RGHL and its material subsidiaries;
- change RGHL's fiscal year; and
- conduct an active business (in the case of RGHL and BP II).

In addition to other customary exceptions, RGHL and its subsidiaries are able to incur additional indebtedness, including the ability to incur (a) other senior secured notes or senior secured bridge loans, if a senior secured leverage ratio of 3.5 to 1.0 is met, (b) other senior secured or unsecured notes or senior secured or unsecured bridge loans of up to the Incremental Facility Amount (which will reduce the availability under the incremental facilities), (c) unsecured indebtedness so long as RGHL is in pro forma compliance with its financial covenants (with the leverage ratio set at 0.25x lower than the otherwise applicable ratio), (d) unsecured subordinated indebtedness so long as RGHL is in pro forma compliance with its financial covenants, in each case subject to other customary requirements and (e) certain permitted refinancing indebtedness in respect of the foregoing. Indebtedness of the type described in clauses (a) and (b) and certain permitted refinancing indebtedness thereof may be secured on a *pari passu* basis by the same collateral securing the Senior Secured Credit Facilities, the 2009 Notes and the Senior Secured Notes.

In addition, the Senior Secured Credit Agreement contains customary financial covenants, including maximum total leverage, minimum interest coverage and limitations on capital expenditures and a requirement to maintain certain collateral coverage ratios.

Events of Default

The Senior Secured Credit Agreement contains certain customary events of default with certain cure periods, as applicable, including:

- non-payment of principal, interest or other amounts;
- breach of covenants under the Senior Secured Credit Facilities and other loan documents;
- material breach of the representations or warranties;
- cross-default to other material indebtedness;
- bankruptcy or insolvency;
- material judgments;
- certain ERISA and benefits events;
- actual or asserted invalidity of any material collateral or guarantee;
- failure of material subordinated indebtedness to be validly subordinated;
- invalidity of the 2009 UK Intercreditor Agreement; and
- a change of control (as defined in the Senior Secured Credit Agreement).

Local Facilities

We have secured and unsecured local credit facilities at our subsidiaries in a number of jurisdictions. The secured local credit facilities are secured by the collateral under the Senior Secured Credit Facilities and the 2009 Notes as well as certain other assets. Alternatively we may also backstop these facilities with letters of credit drawn under the revolving credit facilities included in the Senior Secured Credit Facilities. As of June 30, 2010, we had $6.2 million utilized under our secured local facilities in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other Debt

Overview

Set forth below is a description of our May 2010 Notes, our 2009 Notes and our 2007 Notes, including the intercreditor arrangements with respect thereto. The Senior Secured Notes will have the benefit of the intercreditor provisions described below.

May 2010 Notes

Overview

The Issuers issued $1,000,000,000 aggregate principal amount of senior notes due 2018 (the "May 2010 Notes"), under an indenture, dated as of May 4, 2010, by and among themselves, certain guarantors named thereto, and The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and Registrar.

Maturity and Interest

The May 2010 Notes mature on May 15, 2018. The May 2010 Notes bear interest at 8.50% per annum, payable semi-annually in arrears to holders of record at the close of business on May 1 or November 1 immediately preceding the interest payment date on May 15 and November 15 of each year, commencing November 15, 2010. Interest is computed on the basis of a 360-day year comprised of 12 30-day months.

Optional Redemption

On or after May 15, 2014, the Issuers may redeem the notes at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date, if redeemed during the 12-month period commencing on May 15 of the years set forth below.

Period	Redemption Price
2014	104.250%
2015	102.125%
2016 and thereafter	100.000%

At any time prior to May 15, 2014, the Issuers may redeem the May 2010 Notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus an applicable premium, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date.

At any time prior to May 15, 2013, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the May 2010 Notes with the net cash proceeds of one or more of certain public equity offerings at a redemption price (expressed as a percentage of principal amount thereof) of 108.500%, plus accrued and unpaid interest and additional interest, if any, to the redemption date, if at least 65% of the original aggregate principal amount of the May 2010 Notes remains outstanding after each such redemption.

Change of Control

Upon a change of control, as defined in the indenture governing the May 2010 Notes, the Issuers will be required to offer to repurchase the May 2010 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless the Issuers have previously elected to redeem all of the May 2010 Notes.

Ranking of the Notes

The May 2010 Notes are senior obligations of the Issuers and:

- are effectively subordinated to any secured indebtedness of the Issuers to the extent of the value of the collateral securing such indebtedness;
- rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers;
- are senior in right of payment to any subordinated indebtedness of the Issuers, including the Issuers' guarantees of the 2007 Senior Subordinated Notes; and
- are effectively subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the subsidiaries of RGHL (including BP II) that is not a guarantor.

The guarantees of the May 2010 Notes are senior obligations of each guarantor, including RGHL, and:

- rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor;
- are effectively subordinated to any secured indebtedness of such guarantor to the extent of the value of the collateral securing such indebtedness; and
- are senior in right of payment to any subordinated indebtedness of such guarantor, including such guarantor's guarantee of the 2007 Senior Subordinated Notes.

Covenants

The indenture governing the May 2010 Notes contains covenants that, among other things, limit the ability of BP I, BP II and their restricted subsidiaries to:

- incur additional indebtedness and issue disqualified or preferred stock;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of BP I and BP II and their respective restricted subsidiaries, enter into arrangements that limit any restricted subsidiary's ability to pay dividends or certain other payment to BP I, BP II, or any other restricted subsidiary;
- engage in transactions with affiliates; and
- consolidate, merge or transfer all or substantially all of their assets.

These covenants are subject to a number of important limitations and exceptions.

Events of Default

The indenture governing the May 2010 Notes contains certain customary events of default, including:

- non-payment of principal or premium, if any, on the notes;
- non-payment of interest on the notes for a continuous period of 30 days;

- breach of any agreement in the May 2010 Notes or the indenture governing the May 2010 Notes (other than failure to purchase notes) by BP I, BP II or any Restricted Subsidiary which is not cured within 60 days of notice;
- cross-defaults or acceleration of other indebtedness of BP I, BP II, an Issuer or any Significant Subsidiary in excess of €20 million or its foreign currency equivalent;
- certain bankruptcy or insolvency events;
- certain material judgments against BP I, BP II, an Issuer or a Significant Subsidiary; and
- invalidity of any guarantee of RGHL, BP I or a Significant Subsidiary.

The summary of the Events of Default for the May 2010 Notes uses the following terms:

- "Restricted Subsidiary" means, with respect to any person, any subsidiary of such person other than an Unrestricted Subsidiary of such person. Unless otherwise indicated in the indenture for the May 2010 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP I and BP II.
- "Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions: (1) BP I's, BP II's and the Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; (2) BP I's, BP II's and the Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or (3) BP I's, BP II's and the Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP I, BP II and the Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.
- "Unrestricted Subsidiary" means:

(1) any subsidiary of BP I or BP II that at the time of determination shall be designated an Unrestricted Subsidiary by the board of directors of such person in the manner provided below; and

(2) any subsidiary of an Unrestricted Subsidiary.

The board of directors of RGHL may designate any subsidiary (other than any issuer) of BP I or BP II (including any newly acquired or newly formed subsidiary of BP I or BP II) to be an Unrestricted Subsidiary unless such subsidiary or any of its subsidiaries owns any equity interests or indebtedness of, or owns or holds any lien on any property of, BP I or BP II or any other subsidiary of BP I or BP II that is not a subsidiary of the subsidiary to be so designated; provided, however, that the subsidiary to be so designated and its subsidiaries do not at the time of designation have and do not thereafter incur any indebtedness pursuant to which the lender has recourse to any of the assets of BP I, BP II or any of the Restricted Subsidiaries; provided further, however, that either:

(a) the subsidiary to be so designated has total consolidated assets of €1,000 or less; or

(b) if such subsidiary has consolidated assets greater than €1,000, then such designation would be permitted under the limitations on restricted payments set forth in the May 2010 Notes.

The board of directors of each of the Issuers may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation:

(x) (1) BP I or BP II could incur €1.00 of additional indebtedness pursuant to the provisions of the May 2010 Notes making the incurrence of additional debt subject to a minimum fixed charge coverage ratio or (2) the fixed charge coverage ratio for BP I, BP II and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no event of default shall have occurred and be continuing.

Any such designation by the board of directors of each of the Issuers shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the board of directors of each of the Issuers giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

May 2010 Notes Registration Rights Agreement

Pursuant to the registration rights agreement relating to the May 2010 Notes, dated as of May 4, 2010, by and among the Issuers, certain guarantors, including RGHL, and the purchaser named therein, the Issuers agreed to prepare and file with the SEC a registration statement on an appropriate form under the Securities Act with respect to a proposed offer to the holders of the May 2010 Notes of each series to issue and deliver to such holders of May 2010 Notes, in exchange for their May 2010 Notes, a like aggregate principal amount of new notes that are identical in all material respects to the May 2010 Notes, except for provisions, among others, relating to additional interest and the transfer restrictions relating to notes of such series.

The terms of such new notes will be identical in all material respects to the terms of the May 2010 Notes, except that the new notes will be 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 May 2010 Notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the May 2010 Notes.

2009 Notes

Overview

Reynolds Group Escrow LLC, a Delaware limited liability company (the "LLC Escrow Issuer"), and Reynolds Group DL Escrow Inc., a Delaware corporation (the "Corporate Escrow Issuer" and, together with the LLC Escrow Issuer, the "Escrow Issuers"), issued $1,125,000,000 aggregate principal amount of senior secured notes due 2016 (the "dollar notes") and €450,000,000 aggregate principal amount of senior secured notes due 2016 (the "euro notes" and, together with the dollar notes, the "2009 Notes"), each under an indenture, dated as of November 5, 2009, by and among themselves and The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and Registrar. Proceeds of the offering, together with certain other amounts, were held in escrow until the Escrow Release Date (as defined below). Upon the initial issuance of the 2009 Notes, the 2009 Notes were obligations of the Escrow Issuers, and were not obligations of the Issuers or any of the note guarantors. Upon satisfaction of the conditions precedent to the release of the proceeds of the offering from escrow to the Issuers on the Escrow Release Date, which was November 5, 2009, (i) all of the assets of the LLC Escrow Issuer were transferred to the Lux Issuer, the Lux Issuer assumed all of the LLC Escrow Issuer's obligations under the indenture governing the 2009 Notes, the 2009 Notes and all other obligations related thereto and the LLC Escrow Issuer was released from such obligations, (ii) the Corporate Escrow Issuer merged with and into the US Co-Issuer, with the US Co-Issuer surviving the merger and assuming by operation of law the obligations of the Corporate Escrow Issuer under the 2009 Notes indenture, the 2009 Notes and all other obligations related thereto, (iii) the Issuers became co-issuers of the 2009 Notes and the Issuers and the note guarantors became parties to the indenture governing the 2009 Notes, the 2009 Notes, the purchase agreement, the Registration Rights Agreement, the applicable security documents and the intercreditor agreements.

Maturity and Interest

The 2009 Notes mature on October 15, 2016. Each dollar note and each euro note bear interest at 7.75% per annum, payable semi-annually in arrears to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year, commencing April 15, 2010. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

Dollar Notes

On or after October 15, 2012, the Issuers may redeem the dollar notes at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date, if redeemed during the 12-month period commencing on October 15 of the years set forth below.

Period	Redemption Price
2012	103.875%
2013	102.583%
2014	101.292%
2015 and thereafter	100.000%

At any time prior to October 15, 2012, the Issuers may redeem the dollar notes at a redemption price equal to 100% of the principal amount of the dollar notes redeemed plus an applicable premium, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date.

At any time prior to October 15, 2012, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the dollar notes with the net cash proceeds of one or more of certain public equity offerings at a redemption price (expressed as a percentage of principal amount thereof) of 107.750%, plus accrued and unpaid interest and additional interest, if any, to the redemption date, if at least 65% of the original aggregate principal amount of the dollar notes remain outstanding after each such redemption.

Euro Notes

On or after October 15, 2012, the Issuers may redeem the euro notes, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date, if redeemed during the 12-month period commencing on October 15 of the years set forth below.

Period	Redemption Price
2012	103.875%
2013	102.583%
2014	101.292%
2015 and thereafter	100.000%

At any time prior to October 15, 2012, the Issuers may redeem the euro notes at a redemption price equal to 100% of the principal amount of the euro notes redeemed plus the applicable premium, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date.

At any time prior to October 15, 2012, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the euro notes with the net cash proceeds of one or more of certain public equity offerings at a redemption price (expressed as a percentage of principal amount thereof) of 107.750%, plus accrued and unpaid interest and additional interest, if any, to the redemption date, if at least 65% of the original aggregate principal amount of the euro notes remain outstanding after each such redemption.

Change of Control

Upon a change of control, as defined in the indenture governing the 2009 Notes, the Issuers will be required to offer to repurchase the 2009 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless the Issuers have previously elected to redeem all of the 2009 Notes.

Ranking of the Notes

The 2009 Notes are senior secured obligations of the Issuers and:

- are effectively senior to all of the unsecured indebtedness of the Issuers to the extent of the value of the collateral securing the 2009 Notes;

- rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers;

- are effectively subordinated to the other first lien obligations of the Issuers (including amounts outstanding under the Existing Senior Secured Credit Facilities) to the extent such first lien obligations are secured by property that does not also secure the 2009 Notes to the extent of the value of all such property;

- are senior in right of payment to any subordinated indebtedness of the Issuers, including the Issuers' guarantees of the 2007 Notes; and

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

The guarantees of the 2009 Notes are senior obligations of each guarantor, including RGHL, and:

- rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor;

- are effectively subordinated to the other first lien obligations 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 2009 Notes to the extent of the value of all such property; and

- are senior in right of payment to any subordinated indebtedness of such guarantor, including such guarantor's guarantee of the 2007 Notes.

Covenants

The indenture governing the 2009 Notes contains covenants that, among other things, limit the ability of BP I, BP II and their restricted subsidiaries to:

- incur additional indebtedness and issue disqualified and preferred stock;

- make restricted payments, including dividends or other distributions;

- create certain liens;

- sell assets;

- in the case of BP I and BP II and their respective restricted subsidiaries, enter into arrangements that limit any restricted subsidiary's ability to pay dividends or certain other payment 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

- impair the security interests granted for the benefit of the trustee and holders of the 2009 Notes.

These covenants are subject to a number of important limitations and exceptions.

Events of Default

The indenture governing the 2009 Notes contains certain customary events of default, including:

- non-payment of principal or premium, if any, on the notes;

- non-payment of interest on the notes for a continuous period of 30 days;

- breach of any agreement in the 2009 Notes or the indenture governing the 2009 Notes (other than failure to purchase notes) by BP I, BP II or any Restricted Subsidiary which is not cured within 60 days of notice;

- cross-defaults or acceleration of other indebtedness of BP I, BP II, an Issuer or any Significant Subsidiary in excess of €20 million or its foreign currency equivalent;
- certain bankruptcy or insolvency events;
- certain material judgments against BP I, BP II, an Issuer or a Significant Subsidiary; and
- invalidity of any security interest or guarantee of RGHL, BP I or a Significant Subsidiary.

The summary of the Events of Default for the 2009 Notes uses the following terms:

- "Restricted Subsidiary" means, with respect to any person, any subsidiary of such person other than an Unrestricted Subsidiary of such person. Unless otherwise indicated in the indenture for the 2009 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP I and BP II.
- "Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions: (1) BP I's, BP II's and the Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; (2) BP I's, BP II's and the Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or (3) BP I's, BP II's and the Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP I, BP II and the Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.
- "Unrestricted Subsidiary" means:

(1) any subsidiary of BP I or BP II that at the time of determination shall be designated an Unrestricted Subsidiary by the board of directors of such person in the manner provided below; and

(2) any subsidiary of an Unrestricted Subsidiary.

The board of directors of RGHL may designate any subsidiary (other than any issuer) of BP I or BP II (including any newly acquired or newly formed subsidiary of BP I or BP II) to be an Unrestricted Subsidiary unless such subsidiary or any of its subsidiaries owns any equity interests or indebtedness of, or owns or holds any lien on any property of, BP I or BP II or any other subsidiary of BP I or BP II that is not a subsidiary of the subsidiary to be so designated; provided, however, that the subsidiary to be so designated and its subsidiaries do not at the time of designation have and do not thereafter incur any indebtedness pursuant to which the lender has recourse to any of the assets of BP I, BP II or any of the Restricted Subsidiaries; provided further, however, that either:

(a) the subsidiary to be so designated has total consolidated assets of €1,000 or less; or

(b) if such subsidiary has consolidated assets greater than €1,000, then such designation would be permitted under the limitations on restricted payments set forth in the 2009 Notes.

The board of directors of each of the Issuers may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation:

(x) (1) BP I or BP II could incur €1.00 of additional indebtedness pursuant to the provisions of the 2009 Notes making the incurrence of additional debt subject to minimum fixed charge coverage ratios or (2) the fixed charge coverage ratio for BP I, BP II and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no event of default shall have occurred and be continuing.

Any such designation by the board of directors of each of the Issuers shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the board of directors of each of the Issuers giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

Security for the 2009 Notes

Subject to the terms of the security documents, the 2009 Notes and the guarantees thereof are supported by a security interest granted on a first priority basis (subject to certain permitted liens) in certain assets of RGHL, BP I and certain of BP I's subsidiaries. BP II also granted a security interest in respect of the proceeds loans in relation to the 2007 Notes for the benefit of the holders of the 2009 Notes. These security interests are of equal priority with the liens on such assets securing the Senior Secured Credit Facilities and other future first lien obligations.

2009 Notes Registration Rights Agreement

Pursuant to the registration rights agreement relating to the 2009 Notes, dated as of November 5, 2009, by and among the Issuers, certain guarantors, including RGHL, and the initial purchasers named therein, the Issuers agreed to prepare and file with the SEC a registration statement on an appropriate form under the Securities Act with respect to a proposed offer to the holders of the 2009 Notes of each series to issue and deliver to such holders of 2009 Notes, in exchange for their 2009 Notes, a like aggregate principal amount of new notes that are identical in all material respects to the 2009 Notes, except for provisions, among others, relating to additional interest and the transfer restrictions relating to the notes of such series.

The terms of the new notes will be identical in all material respects to the terms of the notes of the same series, except that the new notes will be 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 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 notes.

We do not currently expect to file the required registration statement with respect to the 2009 Notes by November 2010 and consequently will be required to pay additional interest on the 2009 Notes beginning November 5, 2010 in accordance with the registration rights agreement with respect to the 2009 Notes. Any such additional interest would increase our interest expense for any period during which it is required to be paid. Pursuant to the registration rights agreement with respect to the 2009 Notes, the interest rate applicable to such notes will increase by 25 basis points for every 90-day period during which we have not complied with our registration obligations, subject to a cap of 1.0%. A 25 basis points increase in the interest rate paid on the 2009 Notes would increase our interest expense by approximately $3.7 million for any period during which such additional interest is required to be paid. There can be no assurance that we will be able to file the required registration statement with respect to the May 2010 Notes by May 2011.

First Lien Intercreditor Agreement

In connection with the RGHL Transaction, the collateral agents under the Senior Secured Credit Facilities ("Collateral Agent"), the trustee, as representative for the holders of the 2009 Notes, the administrative agent under the Senior Secured Credit Facilities, as representative for the secured parties under the Senior Secured Credit Facilities, RGHL and certain of its subsidiaries entered into the First Lien Intercreditor Agreement, which sets forth the relative rights and obligations of the lenders under the Senior Secured Credit Facilities and certain local working capital facilities, certain hedging providers and cash management services providers, the holders of the 2009 Notes and, after the execution of the joinder to the First Lien Intercreditor Agreement on the Escrow Release Date by the Trustee, as representative for the Senior Secured Notes, the holders of the Senior Secured Notes with respect to Shared Collateral. This summary of the First Lien Intercreditor Agreement uses the following terms:

- "*Collateral*" means all assets and properties subject to liens created pursuant to any security document to secure one or more series of Obligations.
- "*Liens*" means with respect to any assets or property, any mortgage, lien (statutory or others), pledge, charge, hypothecation, assignment, security interest or similar encumbrance.
- "*Obligations*" means (i) with respect to the 2009 Notes and, after the Escrow Release Date, the Senior Secured Notes, any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any such indebtedness; (ii) with respect to the Senior Secured Credit Facilities (other than, prior to the Escrow Release Date, the term loans under the New Incremental Senior Secured Credit Facilities if borrowed in escrow prior to the closing date of the Pactiv Acquisition), the due and punctual payment of (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or

allowable in such proceeding) on the loans, when and as due, whether at maturity or by acceleration, upon one or more dates set for prepayment or otherwise, (b) each payment required to be made by the borrowers, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, (c) all other monetary obligations of the borrowers to any of the secured parties under the Senior Secured Credit Facilities (other than, prior to the Escrow Release Date, the term loans under the New Incremental Senior Secured Credit Facilities if borrowed in escrow prior to the closing date of the Pactiv Acquisition), and each of the other loan documents, including fees, costs, expenses and indemnities; (d) the due and punctual payment and performance of all obligations of the borrowers, RGHL and its subsidiaries that are guarantors under the loan documents, hedging agreements, local facility agreements and agreements providing for cash management services; and (e) obligations under additional agreements pursuant to which other first lien obligations are incurred; and (iii) certain additional obligations designated "Additional Obligations" pursuant to the terms of the First Lien Intercreditor Agreement.

- "*Security Document*" means each agreement, instrument or other document entered into in favor of the Collateral Agents, or the Collateral Agents and any of the other secured parties under the Senior Secured Credit Facilities (other than, prior to the Escrow Release Date, the term loans under the New Incremental Senior Secured Credit Facilities if borrowed in escrow prior to the closing date of the Pactiv Acquisition), the indenture for the 2009 Notes and any additional agreements pursuant to which other first lien obligations are incurred, for purposes of securing any series of Obligations, including, after the Escrow Release Date, the indenture governing the Senior Secured Notes.

- "*Shared Collateral*" means, at any time, Collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid security interest and any cash or other assets received in connection with the enforcement of any guarantee held by two or more series of Obligations (or their respective representatives).

The First Lien Intercreditor Agreement may be amended from time to time without the consent of the secured parties thereto to add other secured parties, including the Trustee, as representative of the holders of the Senior Secured Notes, and the holders of the Senior Secured Notes, to whom we owe first lien obligations permitted to be incurred under the indenture governing the 2009 Notes and the Senior Secured Credit Facilities and to the agreements governing "Additional Obligations," if any.

Designation of the Applicable Representative

Under the First Lien Intercreditor Agreement, as described below, the "Applicable Representative" has the right to direct the Collateral Agents to initiate foreclosures, release liens in accordance with the Senior Secured Credit Facilities, the indenture for the 2009 Notes and, after the Escrow Release Date, the Senior Secured Notes Indenture and take other actions with respect to the Shared Collateral, and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement have no right to direct the Collateral Agent to take actions with respect to the Shared Collateral.

Initially the Applicable Representative is the administrative agent under the Senior Secured Credit Facilities. As long as such administrative agent is the Applicable Representative, the Trustee, as representative of the holders of the Senior Secured Notes, will have no rights to direct the Collateral Agent to take any action under the First Lien Intercreditor Agreement.

The administrative agent under the Senior Secured Credit Facilities will remain the Applicable Representative until the earlier of:

(1) the discharge of our Obligations under the Senior Secured Credit Facilities; and

(2) the Cut-Off Date (as defined below), unless the Cut-Off Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof.

After such date, the Applicable Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations whose representative is party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Credit Facilities, with respect to the Shared Collateral (the "*Non-Controlling Representative*").

The "*Cut-Off Date*" means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such person was the Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Collateral Agent's and each other relevant representative's receipt of written notice from such Non-Controlling Representative

certifying that (x) such an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Credit Facilities or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Role of the Applicable Representative

Pursuant to the First Lien Intercreditor Agreement:

(i) the Applicable Representative shall have the sole right to instruct the Collateral Agent to act or refrain from acting with respect to the Shared Collateral;

(ii) the Collateral Agent shall not follow any instructions with respect to the Shared Collateral from any representative of any Non-Controlling Secured Party (as defined below) or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative); and

(iii) no representative of any Non-Controlling Secured Party or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) will instruct the Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

A "*Non-Controlling Secured Party*" means any secured party whose representative is not the Applicable Representative. So long as the administrative agent under the Senior Secured Credit Facilities is the Applicable Representative, the holders of the 2009 Notes and the Senior Secured Notes will be Non-Controlling Secured Parties. In addition, as of the Escrow Release Date, because the outstanding principal amount of the 2009 Notes is greater than the outstanding principal amount of the Senior Secured Notes, the trustee under the indenture governing the 2009 Notes, as representative of the holders of the 2009 Notes, will be the Non-Controlling Representative and would become the Applicable Representative if the Cut-Off Date occurred on such date. Accordingly, the holders of the Senior Secured Notes could be Non-Controlling Secured Parties indefinitely.

Notwithstanding the equal priority of the liens on any Shared Collateral, the Collateral Agent, acting on the instructions of the Applicable Representative, may deal with the Collateral as if the Applicable Representative had a senior lien on such Collateral. No representative of any Non-Controlling Secured Party may contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent or any exercise by the Collateral Agent of any rights and remedies relating to the Shared Collateral. Each representative of each series of Obligations party to the First Lien Intercreditor Agreement will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a lien held by or on behalf of any of the secured parties in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

In addition, each representative of each series of Obligations party to the First Lien Intercreditor Agreement (i) will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere with, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Collateral Agent (acting on the instructions of the Applicable Representative), (ii) will not institute any suit or assert in any insolvency or litigation proceeding or other proceeding any claim against the Collateral Agent or any other secured party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, (iii) will not seek, and waives any right to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral and (iv) will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the First Lien Intercreditor Agreement.

Distribution of Enforcement Proceeds

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is incurred) has occurred and is continuing and the Collateral Agent or any Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding of any grantor of Collateral or otherwise, or the Collateral Agent or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Collateral Agent or any secured party and the proceeds of any such distribution, shall be applied as follows:

(A) first, on a *pari passu* basis:

(i) to the trustee for the 2007 Notes to pay certain amounts then due to such trustee under the 2009 UK Intercreditor Agreement; and

(ii) in the following order:

(x) initially, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is incurred; and

(y) next, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement on a ratable basis in accordance with the amounts of such Obligations and the terms of the applicable instrument pursuant to which such Obligations have been incurred;

(B) second, to the extent such proceeds relate to Collateral over which the holders of the 2007 Notes have a valid and perfected security interest at such time or constitute cash or other assets received from a guarantor that has provided a guarantee for the benefit of the holders of the 2007 Notes or such proceeds were originally received pursuant to the terms of the 2009 UK Intercreditor Agreement, to the security trustee under the 2009 UK Intercreditor Agreement for distribution of such proceeds in accordance with the terms thereof; and

(C) third, after the discharge of the Obligations identified in clauses (A) and (B), to the relevant grantor.

Turnover

If any representative of any series of Obligations party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement, then such representative shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

Additional Liens

So long as the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement has not occurred, subject to certain limited exceptions, none of the grantors shall, or shall permit any of its subsidiaries to, without the consent of the Collateral Agent (acting upon the instructions of the Applicable Representative) grant or permit any additional liens on any asset to secure any additional series of Obligations whose representative becomes party to the First Lien Intercreditor Agreement unless it has granted, or concurrently therewith grants, a lien on such asset to secure the Obligations in favor of all other series.

Automatic Release of Liens

If, at any time, the Collateral Agent (acting on the instructions of the Applicable Representative) forecloses upon or otherwise exercises remedies against any Shared Collateral, and in connection therewith takes action to release any Liens over such Shared Collateral, then (whether or not any insolvency or liquidation proceeding is pending at the time) the liens in favor of the Collateral Agent for the benefit of the secured parties upon such Shared Collateral will automatically be released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be applied as described in "— Distribution of Enforcement Proceeds" above. If, at any time, the Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral, and in connection therewith substantially all the equity interests of any guarantor are sold or transferred, then (whether or not any insolvency or liquidation proceeding is pending at the time) the guarantee of such guarantor shall be released, discharged and terminated without any further action by any secured party required.

Exculpatory Provisions in Favor of Collateral Agent

The First Lien Intercreditor Agreement provides that the Collateral Agent shall not have any duties or obligations except those expressly set forth therein and in the other Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the First Lien Intercreditor Agreement or by the other Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Security Document or applicable law;

(iii) shall not, except as expressly set forth in the First Lien Intercreditor Agreement and in the other Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a grantor or any of its affiliates that is communicated to or obtained by the Collateral Agent or any of its affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) with the consent or at the request of the Applicable Representative or (2) in the absence of its own gross negligence or willful misconduct or (3) in reliance on a certificate of an authorized officer of RGHL stating that such action is permitted by the terms of the First Lien Intercreditor Agreement;

(v) shall be deemed not to have knowledge of any Event of Default under any series of Obligations unless and until notice describing such Event of Default is given to the Collateral Agent by the representative of such Obligations or a grantor;

(vi) shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with the First Lien Intercreditor Agreement or any other Security Document, (2) the contents of any certificate, report or other document delivered under the First Lien Intercreditor Agreement or any other Security Document, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in the First Lien Intercreditor Agreement or any other Security Document, or the occurrence of any default, (4) the validity, enforceability, effectiveness or genuineness of the First Lien Intercreditor Agreement, any other Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any lien purported to be created by the Security Documents or (5) the value or the sufficiency of any Collateral for any series of Obligations, including the 2009 Notes and the Senior Secured Notes; and

(vii) shall not be required to expend, advance or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the First Lien Intercreditor Agreement or in any of the Security Documents or in the exercise of any of its rights or powers under the First Lien Intercreditor Agreement or under any of the Security Documents unless it is indemnified to its satisfaction, and the Collateral Agent shall have no liability to any person for any loss occasioned by any delay in taking or failure to take any such action while it is awaiting an indemnity satisfactory to it.

2007 Notes

Overview

On June 29, 2007, BP II completed a private offering of (a) €480.0 million aggregate principal amount of 8% senior notes due 2016 (the "2007 Senior Notes") and (b) €420.0 million aggregate principal amount of 9 ½% senior subordinated notes due 2017 (the "2007 Senior Subordinated Notes," and together with the 2007 Senior Notes, the "2007 Notes"). The 2007 Notes were issued under separate indentures each dated as of June 29, 2007, by and among BP II, the initial guarantors party thereto, The Bank of New York, as trustee, and Credit Suisse, as security agent. As of December 31, 2009, there was €480 million principal amount of 2007 Senior Notes outstanding and €420 million principal amount of 2007 Senior Subordinated Notes outstanding.

The proceeds of the offering of the 2007 Notes were lent to BP I under certain proceeds loans (the "2007 Proceeds Loans") and were used to repay all outstanding amounts under the 2007 bridge facility and to prepay €130 million under the SIG Senior Credit Facilities, each of which was used to partially finance the SIG Acquisition.

Interest

Interest on the 2007 Senior Notes accrues at the rate of 8% per annum, payable semi-annually on June 15 and December 15 of each year. Interest on the 2007 Senior Subordinated Notes accrues at the rate of 9 ½% per annum, payable semi-annually on June 15 and December 15 of each year.

Maturity

The 2007 Senior Notes will mature on December 15, 2016 and the 2007 Senior Subordinated Notes will mature on June 15, 2017.

Optional Redemption

2007 Senior Notes. We may redeem some or all of the 2007 Senior Notes prior to June 15, 2011 at a price equal to 100% of the principal amount thereof, plus a make-whole premium, plus accrued and unpaid interest, if any, to the redemption date. At any time on or after June 15, 2011, we may redeem some or all of the 2007 Senior Notes at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the twelve month period commencing on June 15 of the years set forth below:

Period	**Redemption Price**
2011	104.000%
2012	102.000%
2013 and thereafter	100.000%

Additionally, at any time on or prior to June 15, 2010, we may redeem up to 35% of the originally issued aggregate principal amount of the 2007 Senior Notes with the net cash proceeds of certain public equity offerings at a price equal to 108.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if at least 65% of the total issued aggregate principal amount of the 2007 Senior Notes remains outstanding after each such redemption.

2007 Senior Subordinated Notes. We may redeem some or all of the 2007 Senior Subordinated Notes prior to June 15, 2012, at a price equal to 100% of the principal amount thereof, plus a make-whole premium, plus accrued and unpaid interest, if any, to the redemption date. At any time on or after June 15, 2012, we may redeem some or all of the 2007 Senior Subordinated Notes at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the twelve month period commencing on June 15 of the years set forth below:

Period	**Redemption Price**
2012	104.750%
2013	103.167%
2014	101.583%
2015 and thereafter	100.000%

Additionally, at any time on or prior to June 15, 2012, we may redeem up to 35% of the originally issued aggregate principal amount of the 2007 Senior Subordinated Notes with the net cash proceeds of certain public equity offerings at a price equal to 109.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if at least 65% of the total issued aggregate principal amount of the 2007 Senior Subordinated Notes remains outstanding after each such redemption.

Change of Control

Upon a change of control, as defined in the indentures governing the 2007 Notes, we will be required to offer to repurchase the 2007 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless we have previously elected to redeem all of the 2007 Senior Notes or 2007 Senior Subordinated Notes (as relevant).

Ranking of 2007 Senior Notes

The 2007 Senior Notes are general obligations of BP II and:

- rank *pari passu* in right of payment with all existing and future indebtedness of BP II that is not subordinated to the 2007 Senior Notes;
- are senior in right of payment to any future subordinated indebtedness of BP II, including the 2007 Senior Subordinated Notes; and
- are secured by a second ranking pledge of the receivables under the 2007 Proceeds Loans and by a second ranking security over all of the issued capital stock of BP I.

The 2007 Senior Notes are guaranteed on a senior subordinated basis by RGHL, BP I and certain subsidiaries of BP I. Pursuant to the 2009 UK Intercreditor Agreement, those guarantees are subordinated in right of payment to the guarantees in respect of the Senior Secured Credit Facilities, the Senior Secured Notes and the 2009 Notes. BP II, the issuer of the 2007 Senior Notes, does not guarantee the 2009 Notes and the May 2010 Notes and will not guarantee the notes offered in connection with the Pactiv Transaction.

Ranking of 2007 Senior Subordinated Notes

The 2007 Senior Subordinated Notes are general obligations of BP II and:

- are subordinated in right of payment to all existing and future senior indebtedness of BP II, including the 2007 Senior Notes;
- rank *pari passu* in right of payment with all existing and future senior subordinated indebtedness of BP II;
- rank senior in right of payment to existing and future subordinated indebtedness of BP II; and
- are secured by a third ranking pledge of the receivables under the 2007 Proceeds Loans and by a third ranking security over all of the issued capital stock of BP I.

The 2007 Senior Subordinated Notes are guaranteed on a subordinated basis by RGHL, BP I and certain subsidiaries of BP I. Pursuant to the 2009 UK Intercreditor Agreement and the terms of the indenture governing the 2007 Senior Subordinated Notes, those guarantees are subordinated in right of payment to guarantees in respect of the Senior Secured Credit Facilities, the 2009 Notes, the May 2010 Notes, the Senior Secured Notes and the Senior Notes (but neither the May 2010 Notes nor the Senior Notes constitute "Designated Senior Indebtedness" for purposes of the indenture governing the 2007 Senior Subordinated Notes). BP II, the issuer of the 2007 Senior Subordinated Notes, does not guarantee the 2009 Notes and the May 2010 Notes and will not guarantee the notes offered in connection with the Pactiv Transaction.

Events of Default

The indentures governing the 2007 Notes contain certain customary events of default, including:

- non-payment of principal or premium, if any on the notes;
- non-payment of interest on the notes for a continuous period of 30 days;
- failure by the Issuers, BP I or any Restricted Subsidiary to comply with the merger covenant;

- breach of any agreement contained in the 2007 Notes or the indentures related thereto (other than failure to purchase notes) by BP I, BP II or any Restricted Subsidiary which is not cured within 60 days of notice;

- cross-defaults or acceleration of other indebtedness of BP I, an issuer or any Significant Subsidiary in excess of €20 million or its foreign currency equivalent;

- certain bankruptcy or insolvency events with respect to BP I, BP II or a Significant Subsidiary;

- subject to certain exceptions, failure of BP I, BP II or Significant Subsidiaries to pay final judgments in excess of €20 million or its foreign currency equivalent; and

- invalidity of any security interest or material guarantee.

The summary of the Events of Default for the 2007 Notes uses the following terms:

- *"Restricted Subsidiary"* means, with respect to any person, any subsidiary of such person other than an Unrestricted Subsidiary of such person. Unless otherwise indicated in the indentures for the 2007 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP II and BP I.

- *"Significant Subsidiary"* means any Restricted Subsidiary that meets any of the following conditions: (1) BP II's, BP I's and the Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP II, BP I and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; (2) BP II's, BP I's and the Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP II, BP I and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or (3) BP II's, BP I's and the Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP II, BP I and the Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

- *"Unrestricted Subsidiary"* means

(1) any subsidiary of BP II or BP I that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such person in the manner provided below; and

(2) any subsidiary of an Unrestricted Subsidiary.

The board of directors of RGHL may designate any subsidiary of BP II or BP I (including any newly acquired or newly formed subsidiary of BP II or BP I) to be an Unrestricted Subsidiary unless such subsidiary or any of its subsidiaries owns any equity interests or indebtedness of, or owns or holds any lien on any property of, BP II or BP I or any other subsidiary of BP II or BP I that is not a subsidiary of the subsidiary to be so designated; provided, however, that the subsidiary to be so designated and its subsidiaries do not at the time of designation have and do not thereafter incur any indebtedness pursuant to which the lender has recourse to any of the assets of BP II, BP I or any of the Restricted Subsidiaries; provided, further, however, that either:

(a) the subsidiary to be so designated has total consolidated assets of €1,000 or less; or

(b) if such subsidiary has consolidated assets greater than €1,000, then such designation would be permitted under Section 4.04.

The board of directors of BP II may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation: (x) (1) BP II or BP I could incur €1.00 of additional indebtedness pursuant to the limitation on incurrence of indebtedness in the indentures governing the 2007 Notes or (2) the fixed charge coverage ratio for BP II, BP I and its Restricted Subsidiaries would be greater than such ratio for BP II, BP I and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and (y) no event of default shall have occurred and be continuing.

Any such designation by the board of directors of BP II shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the board of directors of BP II giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

Security for the 2007 Notes

The assets that secure the 2007 Notes also secure the 2009 Notes, the Senior Secured Notes and the Senior Secured Credit Facilities. Pursuant to the 2009 UK Intercreditor Agreement and the terms of such security documents, the assets that secure the 2007 Notes will first secure the obligations owed under the Senior Secured Credit Facilities, the Senior Secured Notes and the 2009 Notes on a *pari passu* basis and then the 2007 Notes.

Purchase Right

Pursuant to the 2009 UK Intercreditor Agreement, under certain circumstances the 2007 Notes have the right to purchase all (but not part only) of the obligations owing to holders of the 2009 Notes, the Senior Secured Notes and creditors of the Senior Secured Credit Facilities by payment of the full amount in cash of the liabilities outstanding and an additional compensatory amount to be certified by the holders of the 2009 Notes, the Senior Secured Notes and creditors of the Senior Secured Credit Facilities.

Intercreditor Agreement Between Holders of the 2009 Notes, the Senior Secured Notes and 2007 Notes and the Creditors of the Senior Secured Credit Facilities

General

The intercreditor agreement in respect of the 2007 Notes and the SIG Senior Credit Facilities was amended as part of the RGHL Transaction to establish the relative rights between certain creditors of the group including lenders under the Senior Secured Credit Facilities, the trustee for the 2009 Notes, the trustee for the 2007 Notes, RGHL, BP II, BP I and any guarantors of either the 2009 Notes, the Senior Secured Credit Facilities or the 2007 Notes (the "2009 UK Intercreditor Agreement"). This summary of the 2009 UK Intercreditor Agreement uses the following terms:

- *"collateral agent"* refers to the "Collateral Agent" from time to time under the First Lien Intercreditor Agreement;
- *"junior creditors"* refers to the holders of the 2007 Notes, the trustees for such notes and BP II and RGHL with respect to loans made to a group member;
- *"junior liabilities"* refers to a group member's liabilities under the indentures governing the 2007 Notes or the obligation of a group member with respect to a loan from BP II (including the 2007 Proceeds Loans);
- *"senior agent"* refers to the "Applicable Representative" from time to time under the First Lien Intercreditor Agreement;
- *"senior creditors"* refers to the "Secured Parties" from time to time under the First Lien Intercreditor Agreement; and
- *"senior liabilities"* refers to the "Obligations" as defined in the First Lien Intercreditor Agreement.

The 2009 UK Intercreditor Agreement restricts, among other things:

- the ability of BP II, BP I or its subsidiaries to grant security or give guarantees in favor of a group member's liabilities under the indentures governing the 2007 Notes or BP I's obligations under the 2007 Proceeds Loans;
- the ability of the holders of the 2007 Notes, the trustees for the 2007 Notes and BP II (in respect of the 2007 Proceeds Loans) to enforce the guarantees and (in the case of BP II) the 2007 Proceeds Loans; and
- the ability of BP I and any of its subsidiaries to pay, prepay, redeem, purchase or acquire the junior liabilities, or otherwise to provide financial support in relation to such liabilities, for so long as any obligations under the senior liabilities are outstanding.

In addition, the 2009 UK Intercreditor Agreement requires that the guarantees and security in favor of the 2007 Notes be released in certain circumstances.

Limitation on Credit Support

Pursuant to the 2009 UK Intercreditor Agreement, BP II, BP III and its subsidiaries are prohibited from granting any security in favor of the junior liabilities except for the security permitted by the 2009 UK Intercreditor Agreement. The security permitted by the 2009 UK Intercreditor Agreement for the 2007 Notes is limited to the pledges of the capital stock of BP I and the assignment of the receivables under the 2007 Proceeds Loans.

In addition, the 2009 UK Intercreditor Agreement requires (except with consent of the Senior Agent) that guarantees in support of the 2007 Notes are given only by entities that are borrowers, issuers or guarantors of the senior liabilities and are subordinated to their obligations with respect to the 2009 Notes.

BP I and its subsidiaries are also prohibited from (except with consent from the Senior Agent) guaranteeing any loan made by RGHL or BP II to BP I or any of its subsidiaries.

Limitation on Enforcement

Under the 2009 UK Intercreditor Agreement, the junior creditors in respect of the 2007 Notes may not take any enforcement action against a guarantor (other than RGHL) unless and until:

- an event of default on the applicable 2007 Notes has occurred, such event of default is continuing and the standstill period (as defined below) has expired;
- the senior creditors have (i) accelerated the amounts owed by a borrower or issuers in respect of the senior liabilities or (ii) demanded payment under any guarantee granted by BP I or any of its subsidiaries or (iii) taken any action to enforce any security interest or lien granted by BP I or any of its subsidiaries with a view to realization of such security interest or lien (which shall not include any action to perfect such security interest or lien);
- a court or other relevant body has made an order for the liquidation, moratorium of payments, bankruptcy, insolvent reorganization, insolvency, examination, administration, receivership (or other similar event) of a guarantor of the applicable 2007 Notes (or all or substantially all of its property) or the shareholders or board of directors of a guarantor of such 2007 Notes have passed a resolution (other than at the request or direction of a trustee or holders of such 2007 Notes) for the liquidation, dissolution or winding-up of such guarantor that results in the appointment of a liquidator, administrator, examiner, receiver, trustee in bankruptcy or other similar official in relation to such guarantor;
- there is a failure to repay the 2007 Senior Notes or 2007 Senior Subordinated Notes, as applicable, on the relevant maturity date; or
- the senior agent (acting on the instructions of the requisite number of relevant senior creditors) consents prior to the taking of the relevant enforcement action.

Enforcement action may be taken under the 2007 Proceeds Loans by a junior creditor, and the liabilities thereunder shall be payable, to the extent that enforcement action is permitted to be taken against BP I and the liabilities under its guarantee are payable to a junior creditor.

Under the 2009 UK Intercreditor Agreement:

The “standstill period” is defined to mean, with respect to each guarantee of the 2007 Notes, the period commencing on the occurrence of an event of default in respect of the 2007 Notes and ending on the first to occur of:

- the date falling 179 days after the date on which the 2007 Notes trustee gives notice to the Senior Agent in respect of that event of default; and
- the expiration of any other standstill period outstanding at the date the standstill period commenced.

"Enforcement action" is defined to mean, with respect to any indebtedness of BP I and its subsidiaries, any action (whether taken by the relevant creditor or creditors or an agent or trustee on its or their behalf) to (a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such indebtedness or the premature termination or close out of certain hedging obligations; or (b) recover all or any part of such indebtedness; or (c) exercise or enforce any rights under or pursuant to any guarantee, indemnity or other similar assurance against loss given by BP I or its subsidiaries in respect of such indebtedness; or (d) exercise or enforce any rights under any security interest over assets of BP I or its subsidiaries whatsoever which secures such indebtedness; or (e) commence legal proceedings against any of BP I or its subsidiaries to recover any moneys; or (f) commence, or take any other steps which could reasonably be expected to lead to the commencement of, any insolvency proceedings in relation to BP I or its subsidiaries, provided that, the following shall not constitute enforcement action:

- the taking of any action (not falling within any of (a) to (f) inclusive above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

- to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation;

- bringing legal proceedings against any person (1) in connection with any securities violation or common law fraud or (2) to restrain any actual or putative breach of the finance documents (as defined in the 2009 UK Intercreditor Agreement) or for specific performance with no claim for damages; or

- allegations of material misstatements or omissions made in connection with the offering materials relating to the 2007 Notes or in reports furnished to creditors under the 2007 Notes or any exchange on which the 2007 Notes are listed pursuant to information and reporting requirements under the indentures governing the 2007 Notes.

"Insolvency proceedings" is defined to mean any proceedings or steps for (a) the insolvency, liquidation, dissolution, winding-up, administration, examination, receivership, moratorium of payments, compulsory merger or judicial reorganization of any company or judicial liquidation or any court order for any of the foregoing; or (b) the appointment of a trustee in bankruptcy, or insolvency conciliator, ad hoc official, an administrator, an examiner, a receiver, a liquidator or other similar officer of any company; or (c) any other similar process or appointment.

Limitations on Paying the Guarantees of the 2007 Notes and the 2007 Proceeds Loans

Subject to any payments under the guarantees of the 2007 Notes that are permitted in the circumstances described above, the guarantors of the 2007 Notes may not make any payment in respect of the 2007 Notes pursuant to the guarantees (other than in respect of certain amounts owing to the trustees of the 2007 Notes) unless:

- on the date falling two days prior to the date of payment there is no outstanding payment default under the terms of the indenture governing the 2009 Notes and the Senior Secured Credit Facilities, and if amended pursuant to the amendment to the UK Intercreditor Agreement, the Senior Secured Notes and no outstanding payment blockage notice (as defined below); and

- such payment is applied in making certain permitted payments in respect of the 2007 Notes, including in respect of interest, default interest, additional amounts under tax gross-up and currency indemnity provisions, certain amounts payable to the trustees and the principal amount of the 2007 Notes on the maturity date.

Similar restrictions apply to the making of payments to BP II under the 2007 Proceeds Loans or by BP I or its subsidiaries with respect to a loan from either BP II or RGHL.

If an event of default (other than a payment event of default) or similar event occurs under the senior liabilities, the senior agent may, within 45 days of the occurrence of any such event of default, serve a written notice (a "payment blockage notice") on the trustees for the 2007 Notes and BP I. A payment blockage notice shall be outstanding from the date of service of the same to the earlier to occur of:

- the date on which the event of default in respect of which such payment blockage notice is served is cured or waived;

- the date on which the senior agent notifies the trustees for the 2007 Notes and BP I that the payment blockage notice is cancelled;

- the date that the obligations under the relevant senior liabilities are discharged in full;

- the date that is 179 days after the service of such payment blockage notice;

- the expiration of any standstill period in existence at the date of service of the payment blockage notice; and

- the date on which a trustee on behalf of the holders of 2007 Notes takes any enforcement action permitted pursuant to the 2009 UK Intercreditor Agreement.

Only one payment blockage notice may be served in any consecutive 360-day period, only one payment blockage notice may be served in respect of any one event of default and no payment blockage notice may be issued in respect of an event of default which is outstanding as at the time at which an earlier payment blockage notice was issued.

Subordination on Insolvency

After the occurrence of one or more of certain insolvency related events in relation to any of RGHL, BP I and its subsidiaries, including RGHL, BP I and its subsidiaries becoming subject to insolvency proceedings, the junior liabilities and certain other intercompany liabilities of such person will be subordinated to the senior liabilities owed by such person, and any payment or distribution of any kind or character and all and any rights in respect thereof, whether in cash, securities (other than any debt securities that are subordinated to the senior liabilities to at least the same extent as the junior liabilities) or other property which is payable or deliverable upon, or with respect to, the junior liabilities owed by such person or any part thereof by a liquidator, administrator or receiver (or the equivalent thereof) of such person or its estate ("rights") made to, or paid to, or received by the junior creditors, RGHL or BP II, or to which the junior creditors, RGHL or BP II are entitled shall (subject to certain amounts to be paid to the trustees for the 2007 Notes) be held in trust by the junior creditors, RGHL and BP II for the senior creditors and shall forthwith be paid or, as the case may be, transferred or assigned (net of the expenses of so doing) to the collateral agent to be applied against first, the senior liabilities (after taking into account any concurrent payment or distribution being made to the senior creditors) and, in the case of rights in respect of certain subordinated loans from RGHL to BP I and the 2007 Proceeds Loans, secondly, the junior liabilities.

The junior creditors are required to do all things that the senior agent reasonably deems necessary or advisable for the enforcement of the 2009 UK Intercreditor Agreement.

Turnover

If any junior creditor receives any payment in relation to any of the junior liabilities which is not permitted by the 2009 UK Intercreditor Agreement, the junior creditor must hold that amount on trust for the collateral agent and promptly pay that amount to the collateral agent (or, in certain circumstances, pay an amount equal to that receipt or recovery to the collateral agent); provided that each trustee for the 2007 Notes shall only be required to turn over any amount if (i) it has actual knowledge that such receipt or recovery is received in breach of the 2009 UK Intercreditor Agreement and (ii) it has not distributed to holders of the applicable 2007 Notes, in accordance with the relevant indenture, any amounts so received or recovered.

Release of Guarantees

In the event that:

- there is a sale or other disposal (whether on a voluntary basis (provided the finance documents relating to the senior liabilities and the junior liabilities have been complied with) or pursuant to enforcement action commenced by the senior creditors) of all of the issued share capital of a guarantor of the 2007 Notes (other than BP I) or any direct or indirect holding company of any such guarantor (other than BP I);

- the collateral agent, the security agent in respect of the junior liabilities or BP I has notified the senior agent and the trustees for the 2007 Notes of such proposed sale or other disposal;

- such guarantor and each of its direct and indirect subsidiaries is simultaneously and unconditionally released from its obligations in relation to the senior liabilities;

- if and only if the sale or other disposal is pursuant to enforcement action commenced by the senior creditors, either the sale or other disposal is made pursuant to a public auction or an internationally recognized investment bank selected by the security trustee has delivered to the senior agent and the trustees for the 2007 Notes an opinion that the price of the sale or other disposal of the relevant share capital is fair from a financial point of view after taking into account all relevant circumstances; and

- if and only if the sale or other disposal is pursuant to enforcement action commenced by the senior creditors, all or substantially all of the consideration for such sale or other disposal is cash,

the guarantee executed by such guarantor shall be automatically released and such guarantor shall be simultaneously released from all its other obligations and liabilities under its guarantee and the other provisions of the applicable documents relating to junior liabilities.

Subordination of Intercompany Liabilities

Pursuant to the 2009 UK Intercreditor Agreement, RGHL and BP II have subordinated certain intercompany liabilities of BP I and its subsidiaries owed to RGHL or BP II to the senior liabilities.

Purchase Right

Pursuant to the 2009 UK Intercreditor Agreement, the holders of the 2007 Notes have a right to purchase or procure the purchase of all (but not part only) of the rights and obligations of the senior creditors in respect of the senior liabilities. This purchase right can only be exercised after senior liabilities have become immediately due and payable, notice of acceleration has been given and the senior creditors have instigated any formal steps to enforce their guarantees or security. The purchase of the senior liabilities must be of the full amount of the senior liabilities as of the date that amount is to be paid.

Pactiv Indebtedness

Pactiv Notes and Debentures

At June 30, 2010, Pactiv's notes and debentures represented approximately $1,270 million of its approximately $1,525 million of indebtedness (including $6 million of unamortized original issue discount) outstanding. At such date, Pactiv had outstanding:

- $250 million in principal amount of 5.875% Notes due 2012 (the "Pactiv 2012 Notes");

- $300 million in principal amount of 8.125% Debentures due 2017 (the "Pactiv 2017 Debentures";

- $250 million in principal amount of 6.400% Notes due 2018 (the "Pactiv 2018 Notes");

- $276 million in principal amount of 7.95% Debentures due 2025; and

- $200 million in principal amount of 8.375% of Senior Notes due 2027 (the "Pactiv 2027 Notes").

The indentures governing Pactiv's outstanding notes and debentures contain a negative pledge clause limiting Pactiv's ability, and the ability of certain subsidiaries of Pactiv, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on principal manufacturing properties which include certain principal manufacturing plants or testing or research and development facilities or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing plant or testing or research and development facility and (ii) sell and then take an immediate lease back of such principal manufacturing plant or testing or research and development facility.

Pactiv's notes and debentures are subject to acceleration, at the option of the holders thereof, if an event of default occurs and is continuing under the applicable indentures. In addition, there are no scheduled principal payments required on any of these notes or debentures until their final maturities.

The Pactiv 2012 Notes, the Pactiv 2017 Debentures, Pactiv 2018 Notes and the Pactiv 2027 Notes may be redeemed at any time at Pactiv's option, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus a make-whole premium, if any, plus accrued and unpaid interest to the date of redemption. In addition, the indentures governing the Pactiv 2012 Notes and the Pactiv 2018 Notes obligate Pactiv to offer to repurchase such notes at a purchase price of 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase, if an event constituting a "change of control triggering event", as defined in the relevant supplemental indentures, occurs. Pactiv intends to make an offer to purchase for cash any and all of the outstanding Pactiv 2012 Notes and Pactiv 2018 Notes, and to seek to obtain the requisite consents to eliminate the change of control covenant with respect to the Pactiv 2012 and Pactiv 2018 Notes.

Other Pactiv Indebtedness

Pactiv is a borrower under a five-year $750 million Revolving Credit Facility maturing on April 19, 2011. As of June 30, 2010, $120 million was drawn down under this facility. The Revolving Credit Facility will be terminated and the outstanding balance will be repaid in connection with the Pactiv Acquisition.

Certain subsidiaries of Pactiv are parties to an Asset Securitization Facility that has a $130 million purchase limit. The related Receivables Purchase Agreement, dated as of December 21, 2006, contains customary covenant restrictions, including a limitation on liens on receivables covered by the facility and limitations on restricted junior payments. The Asset Securitization Facility will also be terminated in connection with the Pactiv Acquisition.