

## **Beverage Packaging Holdings (Luxembourg) II S.A.**

*Société anonyme*

Registered office: 6C rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg  
R.C.S. Luxembourg : B 128.914

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### **HOLDER NOTIFICATION**

17 June 2011

#### **Reynolds Group Holdings Limited**

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

**Re: €180,000,000 8% Senior Notes due 2016 (ISIN XSO307398502)  
€420,000,000 9½% Senior Subordinated Notes due 2017 (ISIN  
XSO307399062)**

#### **Notice of Intention of Reynolds Group Holdings Limited to Acquire Graham Packaging Company Inc.**

The Company announced today that its parent, Reynolds Group Holdings Limited ("Reynolds Group"), has entered into a merger agreement, and an amendment thereto, to acquire all of the outstanding shares of Graham Packaging Company Inc. ("Graham"; NYSE: GRM). Reynolds Group will pay \$25.50 in cash for each share of Graham common stock. The amendment increased the merger consideration to \$25.50 in cash per share (from \$25.00 per share) in consideration for Graham agreeing to materially shorten the time period after which Reynolds Group could terminate the agreement if Graham's controlling stockholders failed to approve the merger by written consent. Funds affiliated with Blackstone, holding a majority of the outstanding common stock of Graham, did irrevocably consent in writing to the transaction following execution of the amendment and consequently, no further Graham stockholder approval of the merger is required.

The price to be paid pursuant to the merger agreement amendment represents a total enterprise value, including net debt, of approximately \$4.5 billion. Graham is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets. The transaction is expected to close in the second half of 2011 and is subject to customary regulatory approvals and closing conditions.

Reynolds Group expects to finance the purchase price and associated transaction costs with new indebtedness of up to \$5 billion and existing cash on hand. The transaction is supported by fully committed financing.

Reynolds Group expects to realize strategic benefits and operational cost synergies as a result of the combination. These synergies will be achieved primarily through reductions in administrative expenses, procurement savings and logistics efficiencies.

Pro forma for the transaction, Reynolds Group's leverage ratio is expected to increase by approximately 0.5 times Pro Forma Adjusted EBITDA. Reynolds Group has a

longstanding track record of deleveraging following the successful integration of acquisitions.

As part of the transaction, Reynolds Group intends to repay Graham's existing credit facilities. Reynolds Group has not made a decision as to whether it will retire Graham's existing senior unsecured notes and senior subordinated notes. To the extent these notes remain outstanding after the acquisition, Graham will be required to make a change of control offer.

There can be no assurance that the acquisition of Graham will be completed or that the expected strategic benefits and operational cost synergies will be achieved.

**About Reynolds Group:**

Reynolds Group is a leading global manufacturer and supplier of consumer food and beverage packaging and storage products: Reynolds Group is based in Auckland, New Zealand. Additional information regarding Reynolds Group is available at [www.reynoldsgroupholdings.com](http://www.reynoldsgroupholdings.com).

This announcement is not an offer to sell or a solicitation of an offer to purchase any indebtedness used to finance the acquisition of Graham 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 that may be used to finance the acquisition of Graham may not be registered under the United States Securities and Exchange 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.

**Forward-Looking Statements:**

This announcement 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. 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 completion of the acquisition of Graham (including, without limitation, risks related to Reynolds Group's ability to achieve the expected strategic benefits and operational cost synergies), 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 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.

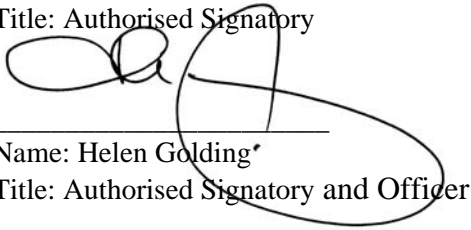
Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new 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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