

## **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

---

### **HOLDER NOTIFICATION**

19 July 2011

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

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

**Re: €480,000,000 8% Senior Notes due 2016 (ISIN XSO307398502)  
€420,000,000 9½% Senior Subordinated Notes due 2017 (ISIN  
XSO307399062)**

#### **Notice of Additional Information Regarding Graham Acquisition**

The Company has previously announced that its parent, Reynolds Group Holdings Limited (“Reynolds Group”), has entered into an agreement to acquire Graham Packaging Company Inc. (“Graham”).

Further information with respect to such acquisition is detailed in the annexure to this notice.

This notice including the annexure is incorporated by reference into Graham Packaging Company, L.P. and GPC Capital Corp. I’s Offer to Purchase and Consent Solicitation Statement dated July 6, 2011 with respect to the tender offer and consent solicitation for their 9.875% Senior Subordinated Notes due October 7, 2014, 8.25% Senior Notes due January 1, 2017 and 8.25% Senior Notes due October 1, 2018.

#### **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 notification is for informational purposes only and is not an offer to sell or a solicitation of an offer to purchase any indebtedness 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 incurred in connection with 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 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. 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.

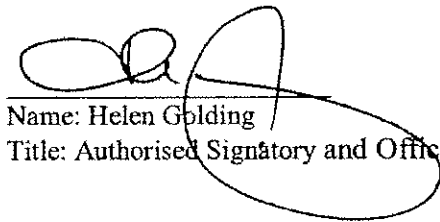
Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new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

Beverage Packaging Holdings (Luxembourg) II S.A.  
[enquiries@reynoldsgroupholdings.com](mailto:enquiries@reynoldsgroupholdings.com)



\_\_\_\_\_  
Name: Allen Hugli  
Title: Authorised Signatory and Officer



\_\_\_\_\_  
Name: Helen Golding  
Title: Authorised Signatory and Officer

## 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 “Graham Packaging Acquisition”). Pursuant to the Graham Packaging Acquisition, RGHL will acquire all of the outstanding stock of Graham Packaging Company Inc. (“Graham Company”). This information statement includes risk factors on the risks related to the Graham Packaging Acquisition and updated risk factors related to the business, Sources and Uses of Funds in connection with the Graham Packaging Transaction (as defined herein), certain limited pro forma financial data for RGHL and Graham Company as a combined company (the “RGHL Combined Group”) after completion of the Graham Packaging Acquisition and Description of Certain Other Indebtedness.*

---

## CERTAIN DEFINITIONS

*In this information statement, unless otherwise indicated or the context otherwise requires (a) references to “we,” “us” or “our” are to Reynolds on a pro forma basis giving effect to the Dopaco Acquisition and the Graham Packaging Acquisition, (b) references to “Graham Packaging” are to Graham Packaging Company Inc. and, unless the context otherwise requires, its subsidiaries and (c) references to the “RGHL Group” are to RGHL and its consolidated subsidiaries prior to the consummation of the Dopaco Acquisition and the Graham Packaging Transaction (as described in “The Transactions”). We describe the six segments that will comprise the RGHL Group following the consummation of the Graham Packaging Acquisition (Evergreen, SIG, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging) as if they were the RGHL Group’s segments for all historical periods described in this information statement, unless otherwise indicated.*

*For a discussion of the Graham Packaging Acquisition and the terms used to describe other acquisition transactions (e.g. “Graham Packaging Acquisition,” “Dopaco Acquisition,” “Pactiv Acquisition,” “Reynolds Foodservice Acquisition,” “Evergreen Acquisition,” “RGHL Acquisition,” “SIG Acquisition” and “Initial Evergreen Acquisition”) and related financings pursuant to which the RGHL Group acquired several businesses that now constitute its segments, refer to the section titled “The Transactions.”*

Unless otherwise indicated or the context otherwise requires, 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 March 31, 2011, 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 March 31, 2011, and as of the date of this information statement.
- “2009 Notes” refers to the 7.750% Senior Secured Notes due 2016 issued in connection with the RGHL Transaction, of which \$1,125.0 million and €450.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “BP I” refers to Beverage Packaging Holdings (Luxembourg) I S.A., a direct subsidiary of RGHL. BP I guarantees the Existing Notes and the Senior Secured Credit Facilities and will guarantee new indebtedness.
- “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 is the issuer of the 2007 Notes. BP II does not guarantee the 2009 Notes, the May 2010 Notes, the October 2010 Notes, the February 2011 Notes or the Senior Secured Credit Facilities and will not guarantee the new indebtedness.

- “*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 Existing Notes and the Senior Secured Credit Facilities and will guarantee the new indebtedness.
- “*CHH*” refers to Carter Holt Harvey Limited, a New Zealand company and an indirect wholly-owned subsidiary of Rank Group.
- “*Closures*” refers to our caps and closures segment.
- “*Dopaco*” refers to Dopaco, Inc. and Dopaco Canada, Inc. and, unless the context otherwise requires, Dopaco Canada, Inc.’s subsidiaries.
- “*Evergreen*” refers to our fresh carton packaging, liquid packaging board, carton board and freesheet segment.
- “*Existing Notes*” refers to the February 2011 Notes, the October 2010 Notes, the May 2010 Notes, the 2009 Notes and the 2007 Notes.
- “*Existing Senior Secured Notes*” refers to the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 Notes.
- “*February 2011 Notes*” refers to the February 2011 Senior Secured Notes and the February 2011 Senior Notes.
- “*February 2011 Senior Notes*” refers to the 8.250% Senior Notes due 2021 issued in connection with the Refinancing Transactions, of which \$1,000.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*February 2011 Senior Secured Notes*” refers to the 6.875% Senior Secured Notes due 2021 issued in connection with the Refinancing Transactions, of which \$1,000.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*Graham Company*” refers to Graham Packaging Company Inc.
- “*Graham Holdings*” refers to Graham Packaging Holdings Company, a wholly-owned subsidiary of Graham Company.
- “*Graham Packaging*” refers to Graham Packaging Company Inc., and, unless the context otherwise requires, its subsidiaries.
- “*Graham Packaging 2017 Notes*” refers to the 8.25% Senior Notes due 2017 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, of which \$253.4 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*Graham Packaging 2018 Notes*” refers to the 8.25% Senior Notes due 2018 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, of which \$250.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*Graham Packaging Notes*” refers to the Graham Packaging Senior Subordinated Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes.
- “*Graham Packaging Senior Subordinated Notes*” refers to the 9.875% senior subordinated notes due 2014 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, of which \$375.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*guarantors*” refers to each member of the RGHL Group that guarantees or will guarantee the new indebtedness, the Existing Notes and the Senior Secured Credit Facilities from time to time, except in the case of certain entities which provide guarantees of the Existing Notes or the Senior Secured Credit Facilities but are not able to provide guarantees in respect of the new indebtedness. Graham Holdings and its subsidiaries will not guarantee the new indebtedness, the Existing Notes or the Senior Secured Credit Facilities. In the future, if Graham Holdings and its subsidiaries guarantee the Senior Secured Credit Facilities, they will also guarantee the new indebtedness.

- “*Issuers*” or “*issuers*” refers to Reynolds Group Issuer Inc., Reynolds Group Issuer LLC and Reynolds Group Issuer (Luxembourg) S.A.
- “*LTM Period*” refers to the 12 month period ended March 31, 2011.
- “*May 2010 Notes*” refers to the 8.500% Senior Notes due 2018 issued in connection with the Evergreen Transaction, of which \$1,000.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*Merger Agreement*” refers to the Agreement and Plan of Merger, by and among RGHL, Bucephalas Acquisition Corp. and Graham Company, dated June 17, 2011 and as subsequently amended on June 17, 2011.
- “*New Incremental Senior Secured Credit Facilities*” refers to an amendment to the Senior Secured Credit Facilities that we are seeking to enter into following the date of this information statement, pursuant to which we expect to amend certain terms of the related credit agreement and incur incremental borrowings to be used to partially finance the Graham Packaging Transaction. There can be no assurance that we will be able to enter into the New Incremental Senior Secured Credit Facilities.
- “*new indebtedness*” refers to the new senior secured indebtedness and the new senior indebtedness to be incurred as part of the Graham Packaging Transaction.
- “*October 2010 Notes*” refers to the October 2010 Senior Secured Notes and the October 2010 Senior Notes.
- “*October 2010 Senior Notes*” refers to the 9.000% Senior Notes due 2019 issued in connection with the Pactiv Transaction, of which \$1,500.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*October 2010 Senior Secured Notes*” refers to the 7.125% Senior Secured Notes due 2019 issued in connection with the Pactiv Transaction, of which \$1,500.0 million aggregate principal amount was outstanding at March 31, 2011, and as of the date of this information statement.
- “*Original Senior Secured Credit Facilities*” refers to the senior secured credit facilities governed by the credit agreement entered into on November 5, 2009, as amended from time to time. The Original Senior Secured Credit Facilities were repaid in full with proceeds from the term loans under the Senior Secured Credit Facilities and part of the proceeds from the offering of the February 2011 Notes.  
  
The Original Senior Secured Credit Facilities consisted of: (i) \$1,035.0 million of U.S. term loans, or the “*Original U.S. Term Loans*,” which were borrowed on November 5, 2009; (ii) \$800.0 million of U.S. Tranche C term loans, or the “*Original Tranche C Term Loans*,” which were borrowed on May 4, 2010; (iii) \$500.0 million of U.S. Tranche A term loans, or the “*Original Tranche A Term Loans*,” and \$1,520.0 million of U.S. Tranche D term loans, or the “*Original Tranche D Term Loans*,” which were borrowed on November 16, 2010; (iv) €250.0 million of European term loans, or the “*Original European Term Loans*,” which were borrowed on November 5, 2009; (v) a U.S. revolving credit facility of \$120.0 million; and (vi) a European revolving credit facility of €80.0 million.
- “*Pactiv*” refers to Pactiv Corporation and, unless the context otherwise requires, its subsidiaries.
- “*Pactiv Foodservice*” refers to our foodservice packaging segment, which (i) consisted of our Reynolds foodservice packaging business prior to the Pactiv Acquisition and (ii) consists of our Reynolds foodservice packaging business and our Pactiv foodservice packaging business following the Pactiv Acquisition.
- “*Rank Group*” refers to Rank Group Limited, a private company based in New Zealand and wholly-owned by Graeme Hart, our strategic owner.
- “*Reynolds Consumer Products*” refers to our consumer products segment, which (i) consisted of our Reynolds consumer products business prior to the Pactiv Acquisition and (ii) consists of our Reynolds consumer products business and our Hefty consumer products business following the Pactiv Acquisition.
- “*RGHL*” refers to Reynolds Group Holdings Limited, the indirect parent of BP III and the Issuers, among others. RGHL guarantees the Existing Notes and the Senior Secured Credit Facilities and will guarantee the new indebtedness.
- “*RGHL Combined Group*” refers to RGHL and its consolidated subsidiaries, including Graham Packaging, Dopaco and Pactiv, as a combined company, following the consummation of, and after

giving pro forma effect to, the Graham Packaging Transaction, the Dopaco Acquisition, the Pactiv Transaction, the Refinancing Transactions and the financing portion of the Evergreen Transaction. For information regarding the Graham Packaging Transaction, the Dopaco Acquisition, the Pactiv Transaction, the Refinancing Transactions and the Evergreen Transaction, see “The Transactions.”

- “*RGHL Group*” refers to RGHL and its consolidated subsidiaries after the SIG Transaction, the RGHL Transaction, the Evergreen Transaction, the Reynolds Foodservice Acquisition and the Pactiv Transaction, but prior to the consummation of the Dopaco Acquisition and the Graham Packaging Transaction, unless the context otherwise requires.
- “*RGHL Group Predecessor*” or “*IP’s Bev Pack Business*” refers to the beverage packaging business of IP before the Initial Evergreen Acquisition.
- “new senior indebtedness” refers to the \$500.0 million of new senior indebtedness to be incurred as part of the Graham Packaging Transaction.
- “*Senior Secured Credit Facilities*” refers to the \$2,325 million senior secured U.S. term loans, the €250 million senior secured European term loans, the \$120 million senior secured revolving credit facility and the €80 million senior secured revolving credit facility and, after the Graham Packaging Transaction, also includes the New Incremental Senior Secured Credit Facilities.
- “new senior secured indebtedness” refers to the \$1,500.0 million of new senior secured indebtedness to be incurred as part of the Graham Packaging Transaction.
- “*SIG*” refers to our aseptic carton packaging segment.

## **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 outcomes, we are making forward-looking statements. We have based these forward-looking statements on our management’s current view with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates and the projections reflected in the forward-looking statements are reasonable, such estimates and projections may prove to be incorrect, and our actual results may differ from those described in our forward-looking statements as a result of the following risks, uncertainties and assumptions, among others:

- risks related to the Graham Packaging Acquisition, including the risk that the Graham Packaging 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 Graham Packaging Acquisition and the risk that we expect to incur substantial acquisition-related costs in connection with the Graham Packaging Acquisition;
- risks related to our completed and future acquisitions, such as the risks that we may be unable to complete any future acquisitions, or that we may not be able to achieve some or all of the benefits that we expect to achieve from such completed or future acquisitions, including risks related to the integration of our acquired businesses;
- 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 Graham Packaging Acquisition, and our ability to service our current and future indebtedness;
- risks related to our hedging activities for aluminum and other raw materials which may result in significant losses and in period-to-period earnings volatility;
- 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 any 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 new indebtedness and our other indebtedness which could adversely affect our business by limiting our operating and strategic flexibility;



- risks related to operating Graham Holdings and its subsidiaries as a separate credit group within the RGHL Group capital structure;
- risks related to our dependence on key management and other highly skilled personnel; and
- risks related to other factors discussed or referred to in this information statement, including in the section titled “Risk Factors.”

The risks described above and the risks disclosed in or referred to in the “Risk Factors” section in this 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.

## Recent Developments

### RGHL Group

While we have yet to finalize the financial statements of the RGHL Group for the quarter ended June 30, 2011, certain preliminary estimated financial information underlying our results of operations is available. The preliminary estimated financial data included in this information statement has been prepared by, and is the responsibility of, RGHL's management and does not represent a comprehensive statement of the financial results for the RGHL Group for the quarter ended June 30, 2011.

PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary estimated financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The final financial results for the consolidated RGHL Group for the quarter ended June 30, 2011 may be materially different from the preliminary estimated financial information provided below as the quarterly financial statement close process is not complete and additional developments and adjustments may arise between now and the time the financial results for this period are finalized. Accordingly, you should not place undue reliance on the following financial information.

We currently estimate the RGHL Group to report revenue and Adjusted EBITDA for the three months ended June 30, 2011 and 2010 as set forth in the table below.

	Three Months Ended June 30,	
	2010	2011
	(IFRS)	
	(in \$ millions)	
Revenue . . . . .	\$1,577	\$2,840-2,875
Adjusted EBITDA <sup>(1)</sup> . . . . .	\$ 271	\$ 470-480

(1) Adjusted EBITDA is a not a presentation made in accordance with IFRS, and is defined in footnote (4) to the "Summary Pro Forma Combined Financial Information." Such footnote also includes information regarding the use of Adjusted EBITDA and certain limitations on its use. We believe that providing estimates of the amounts that would be required to reconcile the range of Adjusted EBITDA to Profit (loss) from continuing operations would imply a degree of precision that could be confusing or misleading to investors.

We believe that the estimated increase in RGHL Group's revenue for the three months ended June 30, 2011, compared to the three months ended June 30, 2010, is primarily due to the incremental revenue from the Pactiv Acquisition as well as increased revenue from our SIG and Closure segments, partially offset by a decrease in revenue from our Evergreen segment. We acquired Pactiv on November 16, 2010. The operating results of Pactiv have been included within the results of our Reynolds Consumer Products and Pactiv Foodservice segments since the consummation of the Pactiv Acquisition. As our businesses are being combined, we are unable to quantify the estimated results of the acquired business separately for the three months ended June 30, 2011. For the three months ended June 30, 2010, Pactiv's revenue and Adjusted EBITDA were \$980 million and \$183 million, respectively.

We believe that the RGHL Group's estimated Adjusted EBITDA increased primarily as a result of increased revenue and the realization of cost savings and synergies, primarily related to the Pactiv Acquisition, which more than offset increased input costs, primarily resin. We also believe that Pro Forma Adjusted EBITDA for the twelve month period ended June 30, 2011 will be slightly less than our Pro Forma Adjusted EBITDA for the twelve month period ended March 31, 2011. We believe this slight reduction in Pro Forma Adjusted EBITDA is primarily due to the scheduled maintenance outage at Evergreen's two mills during the second quarter of 2011, as well as higher input costs, primarily resin. We currently believe that for the year ended December 31, 2011, the realization of cost savings and synergies, primarily related to the Pactiv Acquisition, will more than offset these items, however, there can be no assurance that they will.

### SIG

We believe that SIG's estimated revenue increased for the three months ended June 30, 2011, compared to the three months ended June 30, 2010, primarily due to increased aseptic packaging sales volume in Asia

Pacific and South America. We believe that SIG's estimated Adjusted EBITDA decreased in the current period as increased revenue was more than offset by increased costs, primarily due to increases in raw material costs.

### ***Evergreen***

We believe that Evergreen's estimated revenue and Adjusted EBITDA decreased for the three months ended June 30, 2011 versus the corresponding period in 2010. The decrease in Adjusted EBITDA was due to a planned maintenance outage at Evergreen's two mills during the second quarter of 2011. Adjusting for the impact of this planned maintenance, we believe Evergreen's estimated Adjusted EBITDA would have increased in the current period versus the corresponding period in 2010.

### ***Closures***

We believe that Closures' estimated revenue increased for the three months ended June 30, 2011 compared to the three months ended June 30, 2010 primarily as a result of increased volumes in the United States, Japan and China as well as increased prices from the pass through of resin cost increases and a positive impact from foreign exchange. We believe that Closures' estimated Adjusted EBITDA increased in the current period primarily as a result of increased revenue as well as the benefit of cost saving initiatives, partially offset by increased input costs.

### ***Reynolds Consumer Products***

We believe that Reynolds Consumer Products' estimated revenue increased for the three months ended June 30, 2011, compared to the three months ended June 30, 2010. This increase was primarily attributable to incremental revenue from the acquisition of the Hefty consumer products business as part of the Pactiv Acquisition in November 2010, as well as higher volumes and the impact of price increases implemented to offset increased raw material costs. We believe that Reynolds Consumer Products' estimated revenue and Adjusted EBITDA significantly increased in the current period versus the corresponding period in 2010 largely due to the acquisition of the Hefty consumer products business. Assuming the Hefty consumer products business was included in our results for the corresponding period in 2010, we believe Reynolds Consumer Products' estimated revenue would have increased and Adjusted EBITDA would have been flat in the current period compared to the corresponding period in 2010.

### ***Pactiv Foodservice***

We believe Pactiv Foodservice's estimated revenue increased for the three months ended June 30, 2011, compared to the three months ended June 30, 2010. This increase was primarily attributable to incremental revenue from the acquisition of the Pactiv foodservice packaging business as part of the Pactiv Acquisition in November 2010, the Dopaco Acquisition completed in May 2011, and improved pricing due to the flow through of resin price increases. We believe Pactiv Foodservice's estimated Adjusted EBITDA increased in the current period primarily as a result of the acquisition of the Pactiv foodservice business, increased volume, as well as the benefit of cost saving initiatives. Assuming the Pactiv foodservice packaging business was included in our results for the corresponding period in 2010, we believe Pactiv Foodservice's estimated revenue and Adjusted EBITDA would have increased in the current period versus the corresponding period in 2010.

### **Graham Packaging**

Although Graham Packaging's financial statements for the quarter ended June 30, 2011 are not yet complete, certain preliminary estimated financial information and operating data underlying its results of operations are available. The following preliminary estimated financial information and operating data included in this information statement have been prepared by, and is the responsibility of, Graham Packaging's management, and does not represent a comprehensive statement of the financial results for Graham Packaging for the quarter ended June 30, 2011. Deloitte & Touche LLP, Graham Packaging's independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary estimated financial information and operating data. Accordingly, Deloitte & Touche LLP does not express an opinion or any other form of assurance with respect thereto. The final financial results for the quarter ended June 30, 2011 may vary from Graham Packaging's expectations and may be materially different from the preliminary estimated financial information and operating data provided below as the quarterly financial statement close process is not complete and additional developments and adjustments

may arise between now and the time the financial results for this period are finalized. Accordingly, you should not place undue reliance on the following financial information and operating data.

	<b>Three Months Ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
	<b>(U.S. GAAP) (In \$ millions)</b>	
Revenue .....	\$653	\$816-826
Adjusted EBITDA <sup>(1)</sup> .....	\$134	\$152-157

(1) Adjusted EBITDA

	<b>Three Months Ended June 30,</b>	
	<b>2010</b>	<b>2011</b>
	<b>(U.S. GAAP) (In \$ millions)</b>	
<b>Net income (loss)</b> .....	<b>\$ 38</b>	<b>\$(21)-(18)</b>
Interest expense, net .....	42	53
Income tax expense .....	7	11-13
Depreciation and amortization .....	39	52
<b>EBITDA</b> .....	<b>126</b>	<b>95-100</b>
Asset impairment charges .....	1	1
Increase in income tax receivable obligations .....	4	3
Acquisition and integration expenses .....	1	0
Transaction related costs <sup>(i)</sup> .....	0	47
Other non-cash charges .....	1	0
Reorganization and other costs <sup>(ii)</sup> .....	1	6
<b>Adjusted EBITDA</b> .....	<b><u>\$134</u></b>	<b><u>\$152-157</u></b>

(i) Represents fees to terminate Graham Packaging’s merger agreement with Silgan Holdings Inc. and legal, accounting and other professional fees related to the termination of the merger agreement with Silgan Holdings Inc.

(ii) Represents costs for plant closures, employee severance, and other costs as defined in Graham Packaging’s credit agreement.

We believe that the projected increase in revenue for the three months ended June 30, 2011, compared with the three months ended June 30, 2010, is primarily due to the impact of the acquisition of Liquid Container Inc., Liquid Container L.P., CPG-Holdings, Inc. and WCK-L Holdings, Inc. (collectively, the “Liquid Entities”) along with higher resin costs which are passed through to customers.

We believe that the estimated increase in Adjusted EBITDA for the three months ended June 30, 2011, compared with the three months ended June 30, 2010, is primarily due to the impact of the acquisition of the Liquid Entities.

### **Summary Pro Forma Combined Financial Information**

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

The summary pro forma combined financial information should be read together with the respective financial statements and the notes thereto, along with “Certain Definitions,” “Financial Information,” “Risk Factors,” “Capitalization,” “Unaudited Pro Forma Combined Financial Information,” “Holder Notification — Reynolds Group Revised Financial Statements” posted on RGHL’s corporate website on July 12, 2011, or the “Holder Notification,” “Operating and Financial Review and Prospects” in the RGHL Group’s Annual Report for the year ended December 31, 2010 and Quarterly Report for the three months ended March 31, 2011 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Graham

Packaging's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the three months ended March 31, 2011.

## **RGHL Group**

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

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

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

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

On November 16, 2010, RGHL acquired Pactiv, a company that was listed on the New York Stock Exchange, and Pactiv's stockholders received \$33.25 in cash for each share of Pactiv common stock, for an aggregate purchase price for the common stock of approximately \$4.5 billion. We are in the process of combining our Reynolds consumer products and Reynolds foodservice packaging businesses with our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, to form integrated Reynolds Consumer Products and Pactiv Foodservice segments. See "The Transactions — The Pactiv Transaction."

On May 2, 2011, RGHL acquired Dopaco from Cascades Inc. The consideration for the acquisition was \$398.1 million in cash, subject to certain customary post-closing adjustments for net debt and working capital. The purchase price was paid from existing cash of the RGHL Group. See "The Transactions — The Dopaco Acquisition."

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

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

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

### **Pro Forma Combined Financial Information**

The summary unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Pactiv, Dopaco and Graham Packaging, as adjusted to illustrate the impact of the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction. For further information regarding the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction, see "The Transactions." The unaudited pro forma combined balance sheet gives effect to the Graham Packaging Acquisition and the Dopaco Acquisition as if they had been completed as of March 31, 2011. The unaudited pro forma combined income statements give effect to the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction as if they had been completed as of January 1, 2010.

The RGHL Group incurred a number of non-recurring costs associated with completing the Pactiv Acquisition. In addition, the RGHL Group expects to incur approximately \$115 million of additional one-time costs by the end of 2012 related to the integration of the Pactiv businesses, of which approximately \$21 million has been incurred through March 31, 2011. Because these costs are not recurring or capital in nature, they are not reflected in the unaudited pro forma combined income statements included elsewhere in this information statement. These costs will be substantial and could have an adverse effect on our results of operations.

The RGHL Group will incur a number of non-recurring costs associated with completing the Graham Packaging Acquisition. In addition, the RGHL Group expects to incur approximately \$75 million of one-time costs to achieve the expected cost savings and synergies from the Graham Packaging Acquisition. Because these costs are not recurring or capital in nature, they are not reflected in the unaudited pro forma combined income statement included elsewhere in this information statement. These costs will be substantial and could have an adverse effect on our results of operations.

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, 2010, less (ii) the unaudited pro forma combined income statement for the three months ended March 31, 2010, plus (iii) the unaudited pro forma combined income statement for the three months ended March 31, 2011.

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 pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the RGHL Group or the pro forma combined group would have reported had the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of 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.**

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 Graham Packaging Transaction or the Dopaco Acquisition, (ii) any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Pactiv Transaction or as a result of any of the other acquisitions we have completed, or (iii) the impact of non-recurring items directly related to the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction, the financing components of the Evergreen 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 RGHL Combined Group Adjusted EBITDA, which are each described under “Summary — Summary Pro Forma Combined Financial Information.”

We have adjusted the financial data of Pactiv, Dopaco and Graham Packaging for the periods presented 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, Dopaco and Graham Packaging financial information, as presented, 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, Dopaco’s and Graham Packaging’s financial data necessary to present them on an IFRS basis consistent with the RGHL Group’s financial statements.

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

	RGHL Combined Group <sup>(1)</sup>			
	For the Year Ended December 31, 2010	For the Three Months Ended March 31,		LTM Period <sup>(2)</sup>
		2010	2011	
	(IFRS) (In \$ millions)			
<b>Income Statement</b>				
<b>Revenue</b> . . . . .	<b>\$ 12,904.0</b>	<b>\$ 2,875.9</b>	<b>\$ 3,229.7</b>	<b>\$ 13,257.8</b>
Cost of sales . . . . .	(10,430.7)	(2,340.4)	(2,650.3)	(10,740.6)
<b>Gross profit</b> . . . . .	2,473.3	535.5	579.4	2,517.2
Other income . . . . .	104.9	34.7	23.4	93.6
Selling, marketing and distribution expenses . . . . .	(478.9)	(123.3)	(102.7)	(458.3)
General and administration expenses . .	(771.0)	(186.9)	(183.9)	(768.0)
Other expenses . . . . .	(196.5)	(19.8)	(64.5)	(241.2)
Share of profit of associates and joint ventures, net of income tax (equity method). . . . .	19.0	4.3	6.3	21.0
<b>Profit (loss) from operating activities</b> . . . . .	<b>1,150.8</b>	<b>244.5</b>	<b>258.0</b>	<b>1,164.3</b>
Financial income . . . . .	66.7	22.2	101.4	145.9
Financial expenses . . . . .	(1,706.2)	(446.6)	(401.7)	(1,661.3)
<b>Net financial expenses</b> . . . . .	<b>(1,639.5)</b>	<b>(424.4)</b>	<b>(300.3)</b>	<b>(1,515.4)</b>
<b>Profit (loss) before income tax</b> . . . . .	<b>(488.7)</b>	<b>(179.9)</b>	<b>(42.3)</b>	<b>(351.1)</b>
Income tax (expense) . . . . .	115.7	(8.1)	20.8	144.6
<b>Profit (loss) from continuing operations</b> . . . . .	<b>\$ (373.0)</b>	<b>\$ (188.0)</b>	<b>\$ (21.5)</b>	<b>\$ (206.5)</b>

**RGHL Combined Group**  
**as of March 31,**  
**2011**

---

**(IFRS)**  
**(In \$ millions)**

**Balance Sheet Data**

Cash and cash equivalents . . . . .	\$ 590.6
Trade and other receivables — current . . . . .	1,473.1
Inventories . . . . .	1,865.4
Property, plant and equipment . . . . .	4,884.0
Investment property . . . . .	67.0
Intangibles . . . . .	13,132.9
Other assets . . . . .	928.8
<b>Total assets</b> . . . . .	<b>22,941.8</b>
Trade and other payables — current . . . . .	1,914.2
Borrowings — current . . . . .	251.5
Borrowings — non-current . . . . .	17,127.0
Other liabilities . . . . .	3,609.5
<b>Total liabilities</b> . . . . .	<b>22,902.2</b>
<b>Net assets</b> . . . . .	<b>\$ 39.6</b>



	RGHL Combined Group <sup>(1)</sup>			LTM Period <sup>(2)</sup>
	For the Year Ended December 31, 2010	For the Three Months Ended March 31,		
		2010	2011	
	(IFRS)			
	(In \$ millions except ratios)			
<b>Pro Forma Other Financial Data:</b>				
Total Capital Expenditure . . . . .	\$626.2	\$122.6	\$140.2	\$ 643.8
RGHL Combined Group EBITDA <sup>(3)</sup> . . .				2,118.4
RGHL Combined Group Adjusted EBITDA <sup>(4)</sup> . . . . .				2,441.1
RGHL Combined Group Pro Forma Adjusted EBITDA <sup>(4)</sup> . . . . .				2,838.8
Net cash interest expense <sup>(5)</sup> . . . . .				1,260.3
<b>Pro Forma Credit Statistics (at period end):</b>				
Total net senior secured debt <sup>(6)</sup> . . . . .				9,893.7
Total net senior guaranteed debt <sup>(7)</sup> . . . . .				15,091.6
Total net senior debt <sup>(8)</sup> . . . . .				16,132.7
Total net debt <sup>(9)</sup> . . . . .				17,101.3
Total net senior secured debt to RGHL Combined Group Pro Forma Adjusted EBITDA . . . . .				3.5x
Total net senior guaranteed debt to RGHL Combined Group Pro Forma Adjusted EBITDA . . . . .				5.3x
Total net senior debt to RGHL Combined Group Pro Forma Adjusted EBITDA . . . . .				5.7x
Total net debt to RGHL Combined Group Pro Forma Adjusted EBITDA . . . . .				6.0x
RGHL Combined Group Pro Forma Adjusted EBITDA to net cash interest expense . . . . .				2.3x
Pro Forma Ratio of earnings to fixed charges <sup>(10)</sup> . . . . .				—

- (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, 2010, less (ii) the unaudited pro forma combined income statement for the three months ended March 31, 2010, plus (iii) the unaudited pro forma combined income statement for the three months ended March 31, 2011.
- (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 the RGHL Combined Group EBITDA may not be comparable to other similarly titled measures used by other companies. The following table reconciles the RGHL Combined Group EBITDA calculation presented above to our profit (loss) from continuing operations for the periods presented:

	<u>RGHL Combined Group</u> <u>LTM Period</u> <u>(In \$ millions)</u>
<b>Profit (loss) from continuing operations</b> . . . . .	<b>\$ (206.5)</b>
Income tax (benefit) expense . . . . .	(144.6)
Net financial expenses . . . . .	1,515.4
Depreciation and amortization . . . . .	<u>954.1</u>
<b>RGHL Combined Group EBITDA</b> . . . . .	<b><u>\$2,118.4</u></b>

- (4) RGHL Combined Group 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, such as restructuring and redundancy costs and gains and losses in relation to the valuation of derivatives. Adjusted EBITDA is calculated as RGHL Combined Group Adjusted EBITDA as adjusted to provide full-period effect of the implemented cost saving programs, divestments, acquisition synergies and business acquisitions to the extent not reflected in the RGHL Combined Group. 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 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, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not intended to be a measure of free cash flow for management’s discretionary use, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of 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 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 agreements governing the new indebtedness and certain other agreements governing our indebtedness. Because not all companies calculate Adjusted EBITDA and Pro Forma Adjusted EBITDA identically, this presentation of Adjusted EBITDA and Pro Forma Adjusted EBITDA may not be comparable to the similarly titled measures of other companies. The following table reconciles the RGHL Combined Group EBITDA calculation presented above to the RGHL Combined Group Adjusted EBITDA

and the RGHL Combined Group Adjusted EBITDA to the RGHL Combined Group Pro Forma Adjusted EBITDA for the periods presented:

	<b>RGHL Combined Group</b>			
	<b>Year Ended December 31, 2010</b>	<b>Three Months Ended March 31,</b>		<b>LTM Period*</b>
		<b>2010</b>	<b>2011</b>	
		<b>(IFRS) (In \$ millions)</b>		
<b>RGHL Combined Group EBITDA</b> . . . . .	<b>\$2,082.1</b>	<b>\$479.0</b>	<b>\$515.3</b>	<b>\$2,118.4</b>
Adjustment related to settlement of a lease obligation <sup>(a)</sup> . . . . .	(1.6)	—	—	(1.6)
Restructuring costs <sup>(b)</sup> . . . . .	18.0	1.0	45.2	62.2
Termination of supply agreement <sup>(c)</sup> . . . . .	7.0	—	—	7.0
Black Liquor Credit <sup>(d)</sup> . . . . .	(10.3)	—	—	(10.3)
Related party management fees <sup>(e)</sup> . . . . .	0.8	0.6	—	0.2
Impairment of non-current assets <sup>(f)</sup> . . . . .	62.6	2.2	1.1	61.5
Equity method joint venture profit not distributed in cash <sup>(g)</sup> . . . . .	(14.8)	(3.5)	(4.5)	(15.8)
Consulting fees for business optimization projects <sup>(h)</sup> . . . . .	14.1	6.9	5.2	12.4
Pension income <sup>(i)</sup> . . . . .	(48.8)	(12.9)	(11.4)	(47.3)
Effect of purchase price adjustment on inventories <sup>(j)</sup> . . . . .	64.1	—	0.8	64.9
Impact of purchase price accounting on leases <sup>(k)</sup> . . . . .	(0.3)	—	(0.4)	(0.7)
VAT and Customs duties on historical imports <sup>(l)</sup> . . . . .	9.8	—	—	9.8
Gain on sale of businesses and investment properties <sup>(m)</sup> . . . . .	(16.1)	(9.1)	—	(7.0)
Business interruption costs (recovery) <sup>(n)</sup> . . . . .	2.1	0.8	—	1.3
Costs related to business acquisitions <sup>(o)</sup> . . . . .	52.1	0.5	0.6	52.2
Costs related to business integrations <sup>(p)</sup> . . . . .	—	—	1.5	1.5
Closure Systems International Americas, Inc. gain on acquisition <sup>(q)</sup> . . . . .	(9.8)	(9.8)	—	—
Pactiv change of control payments <sup>(r)</sup> . . . . .	63.0	—	—	63.0
Unrealized (gain) loss on derivatives <sup>(s)</sup> . . . . .	(3.8)	0.5	(4.1)	(8.4)
Flood damage <sup>(t)</sup> . . . . .	(0.3)	—	—	(0.3)
Impact of ITR agreements <sup>(u)</sup> . . . . .	5.0	1.3	4.6	8.3
Termination of Graham Packaging's related party monitoring agreement <sup>(v)</sup> . . . . .	1.5	0.7	0.3	1.1
Graham Packaging IPO related costs <sup>(w)</sup> . . . . .	39.6	39.0	—	0.6
Graham Packaging acquisition and integration expenses <sup>(x)</sup> . . . . .	20.3	0.2	2.1	22.2
Graham Packaging transaction related expenses <sup>(y)</sup> . . . . .	—	—	1.2	1.2
Graham Packaging reorganization and other costs <sup>(z)</sup> . . . . .	16.0	2.1	2.2	16.1
Other <sup>(aa)</sup> . . . . .	27.7	3.3	4.2	28.6
<b>RGHL Combined Group Adjusted EBITDA</b> . . . . .	<b><u>\$2,380.0</u></b>	<b><u>\$502.8</u></b>	<b><u>\$563.9</u></b>	<b><u>\$2,441.1</u></b>

	RGHL Combined Group			
	Year Ended December 31, 2010	Three Months Ended March 31,		LTM Period*
		2010	2011	
	(IFRS)			
(In \$ millions)				
<b>RGHL Combined Group Adjusted EBITDA</b> . . . . .	<b>\$2,380.0</b>	<b>\$502.8</b>	<b>\$563.9</b>	<b>\$2,441.1</b>
Full period estimated effect of RGHL's cost savings <sup>(bb)</sup> . . . . .				13.6
Full period estimated effect of Pactiv's cost savings <sup>(cc)</sup> . . . . .				49.1
Full period estimated effect of acquisition synergies associated with RGHL's acquisition of Pactiv <sup>(dd)</sup> . . . . .				178.0
Full period estimated effect of acquisition synergies associated with RGHL's acquisition of Dopaco <sup>(ee)</sup> . . . . .				25.0
Full period estimated effect of acquisition synergies associated with RGHL's acquisition of Graham Packaging <sup>(ff)</sup> . . . . .				75.0
Full period estimated effect of Graham Packaging's acquisition synergies associated with its acquisition of the Liquid Entities <sup>(gg)</sup> . . . . .				20.0
Full period estimated effect of RGHL's acquisitions/divestitures <sup>(hh)</sup> . . . . .				0.5
Full period estimated effect of Graham Packaging's acquisitions/divestitures <sup>(ii)</sup> . . . . .				36.5
<b>RGHL Combined Group Pro Forma Adjusted EBITDA</b> . . . . .				<b>\$2,838.8</b>

\* The LTM Period is calculated as follows: (i) RGHL Group for the year ended December 31, 2010 less (ii) RGHL Group for the three months ended March 31, 2010 plus (iii) RGHL Group for the three months ended March 31, 2011.

- (a) Reflects the reversal of excess reserves for Baco leasing obligations that were settled in 2010.
- (b) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures in the RGHL Group.
- (c) Reflects amounts paid to settle the termination of a supply contract at Pactiv Foodservice.
- (d) Reflects tax credits, net of related expenses, received for the use of alternative fuel mixtures to produce energy to operate the Evergreen business during the 2009 and 2010 years. See the Holder Notification and "Operating and Financial Review and Prospects" in the RGHL Group's Annual Report for the year ended December 31, 2010 and Quarterly Report for the three months ended March 31, 2011.
- (e) Reflects an expense for non-recurring management fees relating to executives.
- (f) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount in the RGHL Group and Graham Packaging.
- (g) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash of the RGHL Group and Dopaco.
- (h) Reflects consulting fees in connection with the implementation of a new project at our Evergreen segment, the Reynolds consumer products business and our Pactiv Foodservice segment, designed to optimize business processes, including the purchase of raw material and other inputs.
- (i) Reflects non-cash pension income included in results of operations.
- (j) Reflects the fair value adjustment to inventories as a result of the purchase price accounting exercise against cost of sales.
- (k) Reflects the fair value adjustment to leases as a result of the purchase price accounting exercise against cost of sales.

- (l) Reflects customs duties and VAT taxes on historical imports.
- (m) Reflects a total gain on sale of businesses of \$16.1 million for the year ended December 31, 2010, comprising \$8.3 million on disposal of the Reynolds foodservice packaging business's interest in its envelope window film operations, \$6.0 million on other business disposals and the gain on sale of investment properties of \$1.8 million at SIG. For the three months ended March 31, 2010, the gain on sale of businesses was \$9.1 million from the disposal of the Reynolds foodservice packaging business's interest in its envelope window film operations in January 2010.
- (n) Reflects business interruption costs at Closures incurred in 2010.
- (o) Reflects costs incurred by the RGHL Group related to business acquisitions.
- (p) Reflects costs incurred by the RGHL Group related to the integration of Pactiv.
- (q) Reflects the difference between the net assets acquired and consideration paid on the acquisition of Closure Systems International Americas Inc.
- (r) Represents payments made to executives and members of management of Pactiv as a result of the change in control events associated with the Pactiv Acquisition.
- (s) Reflects the adjustments for unrealized gains or losses on derivatives.
- (t) Reflects costs associated with flood damage at the Reynolds consumer products business in 2009 and related insurance recoveries in 2010.
- (u) Reflects amounts in respect of the ITR agreements which will be terminated as a result of the Graham Packaging Acquisition.
- (v) Represents annual fees paid to Donald C. Graham, his family and affiliated entities and Graham Packaging's financial sponsors in connection with a monitoring agreement.
- (w) Represents costs related to Graham Packaging's IPO bonus payments and other IPO-related costs.
- (x) Represents costs related to the acquisition and integration of the Liquid Entities, China Roots Packaging PTE Ltd. ("China Roots") and other entities by Graham Packaging.
- (y) Reflects costs incurred by Graham Packaging related to potential business acquisitions.
- (z) Represents costs related to the OnTech arbitration, plant closures, employee severance and other costs.
- (aa) Represents the net loss on disposal of fixed assets, stock-based compensation expense, non-cash equity income from non-consolidated entities and Venezuelan hyper-inflationary accounting for Graham Packaging, one-time curtailment cost at Dopaco and certain expenses associated with historical Pactiv operations.
- (bb) Reflects the full period estimated effect of RGHL implemented cost savings programs.
- (cc) Reflects the full period estimated effect of Pactiv's implemented cost savings programs.
- (dd) Reflects the full period estimated effect of cost savings and the estimated annual cost savings associated with RGHL's 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 \$115.0 million of additional onetime costs to achieve these cost savings benefits. The estimated cost savings are as follows:

	<u>Original estimated costs savings</u>	<u>Cost savings achieved</u> (in \$ millions)	<u>Cost savings to be achieved</u>
Integration benefits <sup>(i)</sup> . . . . .	\$ 68.0	\$11.4	\$ 56.6
Plant consolidations <sup>(ii)</sup> . . . . .	28.0	—	28.0
Logistics efficiencies <sup>(iii)</sup> . . . . .	23.0	0.2	22.8
Procurement savings <sup>(iv)</sup> . . . . .	20.0	2.7	17.3
Manufacturing improvements <sup>(v)</sup> . . . . .	18.0	0.9	17.1
Other <sup>(vi)</sup> . . . . .	<u>43.0</u>	<u>6.8</u>	<u>36.2</u>
	<b><u>\$200.0</u></b>	<b><u>\$22.0</u></b>	<b><u>\$178.0</u></b>

- 
- (i) Represents our original estimated cost savings from combining our Reynolds consumer products and Reynolds foodservice packaging businesses with our Hefty consumer products and Pactiv foodservice packaging 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 our original estimated cost savings of \$28 million from consolidating duplicative manufacturing facilities.
  - (iii) Represents our original estimated cost savings of \$23 million from optimizing logistics and reduced warehousing costs.
  - (iv) Represents our original estimated reductions of \$20 million in procurement costs resulting from benchmarking procurement costs and the benefits of scale.
  - (v) Represents our original 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 our original 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.
  - (ee) Represents the estimated annual net cost savings associated with RGHL's acquisition of Dopaco. We expect that most actions required to realize these savings will be taken by the end of 2012 and will be fully implemented during 2013. In addition, the RGHL Group expects to incur approximately \$44 million of one-time costs to achieve these cost savings benefits. The estimated cost savings consist of corporate overhead reductions, cost savings resulting from consolidating duplicative manufacturing operations, and benefits of scale in procurement and logistics costs.
  - (ff) Represents the estimated annual net cost savings associated with RGHL's acquisition of Graham Packaging. We expect that most actions necessary to begin realizing these estimated cost savings will have been taken by the end of 2012 and will be fully implemented during 2013. In addition, the RGHL Group expects to incur approximately \$75 million of one-time costs to achieve these cost savings benefits. The estimated cost savings are as follows:

	<u>(in \$ millions)</u>
Procurement savings <sup>(i)</sup> . . . . .	\$30.0
Plant operations and rationalization <sup>(ii)</sup> . . . . .	20.0
Selling, general and administration <sup>(iii)</sup> . . . . .	12.0
Freight / Logistics <sup>(iv)</sup> . . . . .	8.0
Other <sup>(v)</sup> . . . . .	<u>5.0</u>
	<u><b>\$75.0</b></u>

- 
- (i) Represents estimated reductions in procurement costs resulting from benchmarking resin prices and other direct and indirect procurement costs, as well as the benefits of scale.
  - (ii) Represents estimated cost savings from consolidating duplicative manufacturing facilities, implementing best practices to reduce inefficiencies and improve output.
  - (iii) Represents estimated cost savings from combining the Graham Packaging and RGHL businesses from eliminating costs associated with being a listed public company, corporate overhead reductions and improvement in efficiencies related to IT and infrastructure spending.
  - (iv) Represents estimated cost savings from negotiation of freight costs and optimizing shipping routes and reduced warehousing costs associated with sharing facilities.
  - (v) Represents estimated reductions from sharing technologies and combining and implementing disciplined spending controls.
  - (gg) Reflects the estimated full period effect of Graham Packaging's implemented cost savings programs associated with its acquisition of the Liquid Entities.

- (hh) Reflects RGHL's management's estimate of the full period effect of the acquisition of the Whakatane paper mill on May 4, 2010 as if the business operations were included from April 1, 2010. See "The Transactions — The Evergreen Transaction." The adjustment attributable to the acquisition of the Whakatane paper 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.
  - (ii) Reflects Graham Packaging's management's estimate of the full period effect of the Liquid Entities acquisition and the China Roots acquisition, as if the business operations were included from April 1, 2010.
- (5) Net cash interest expense, excluding any expense related to the original issue discount and amortization of debt incurrence costs, as derived from the unaudited pro forma combined income statements 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 \$590.6 million. Total senior secured debt of \$10,484.3 million represents the aggregate of (i) the new senior secured indebtedness, (ii) \$1,000.0 million of February 2011 Senior Secured Notes, (iii) \$1,500.0 million of October 2010 Senior Secured Notes, (iv) \$1,125.0 million and €450.0 million of 2009 Notes, (v) \$4,325.0 million and €250.0 million of Senior Secured Credit Facilities, and (vi) \$45.0 million of other senior secured debt including secured overdrafts, secured local facilities, finance lease obligations and secured derivative instruments.
  - (7) Total net senior guaranteed debt represents total senior guaranteed debt less cash and cash equivalents of \$590.6 million. Total senior guaranteed debt of \$15,682.2 million represents the aggregate of (i) total senior secured debt described in footnote (6) above, (ii) the new senior indebtedness, (iii) \$1,000.0 million of February 2011 Senior Notes, (iv) \$1,500.0 million of October 2010 Senior Notes, (v) \$1,000.0 million of May 2010 Notes, (vi) €480.0 million of 2007 Senior Notes, (vii) \$253.4 million of Graham Packaging 2017 Notes, (viii) \$250.0 million of Graham Packaging 2018 Notes (ix) \$15.5 million of other borrowings and (x) \$0.7 million of unsecured related party borrowings.
  - (8) Total net senior debt represents total senior debt less cash and cash equivalents of \$590.6 million. Total senior debt of \$16,723.3 million represents the aggregate of (i) total senior guaranteed debt described in footnote (7) above and (ii) \$1,041.1 million of existing Pactiv indebtedness that was not repaid in connection with the Pactiv Transaction.
  - (9) Total net debt represents total debt less cash and cash equivalents of \$590.6 million. Total debt of \$17,691.9 million represents the aggregate of (i) total net senior debt described in footnote (8) above, (ii) €420.0 million of 2007 Senior Subordinated Notes and (iii) \$375.0 million of Graham Packaging Senior Subordinated Notes.
  - (10) For purposes of calculating the ratio of earnings to fixed charges, earnings represent income before income taxes from continuing operations before adjustments for minority interests and equity from affiliates plus fixed charges and distributed income of equity investees. Fixed charges include the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. This ratio does not have the same definition as any similarly titled ratio with respect to the new indebtedness. For the period presented, the ratio coverage was less than 1.0x. The RGHL Combined Group would have needed to generate additional earnings of \$355.9 million to achieve a coverage of 1.0x in 2010.

## RISK FACTORS

*You should carefully consider the following risk factors, including all the 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 the RGHL Combined Group. Additional risks not currently known to us or that we currently deem immaterial also may materially and adversely impair or impact the RGHL Combined Group's business, financial condition or results of operations.*

### **Risks Related to the Graham Packaging Acquisition and Our Other Acquisitions**

***The Graham Packaging Acquisition may not be completed within the expected timeframe, or at all.***

Completion of the Graham Packaging Acquisition is subject to the satisfaction (or waiver) of a number of conditions, 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 Graham Packaging 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 Graham Packaging Acquisition would, and any delay in completing the Graham Packaging Acquisition could, prevent the RGHL Group from realizing the benefits that it expects from the Graham Packaging Acquisition.

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

- the RGHL Group may complete the Graham Packaging Acquisition even if the Graham Packaging business has been adversely impacted or deteriorated significantly, and there are not any purchase price adjustments in such circumstances;
- management having spent, and continuing to spend, a significant amount of their time and efforts directed toward the Graham Packaging 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 Graham Packaging Acquisition and related transactions, such as financing commitment fees, legal fees and accounting fees;
- uncertainties relating to the Graham Packaging Acquisition and related transactions may adversely affect relationships with the RGHL Group's employees, vendors and customers;
- depending on future circumstances, it is possible that we may never realize the full value of the intangible assets, including goodwill, that will be recorded at fair value on the date of the Graham Packaging Acquisition; 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 Graham Packaging Acquisition, including because of possible disruptions caused by the Graham Packaging Acquisition.***

The RGHL Group may not be able to achieve the cost savings or purchasing benefits it anticipates in connection with the Graham Packaging 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 operations. The process of integrating Graham Packaging 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 Graham Packaging 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 Graham Packaging, 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 Graham Packaging. Our ability to realize anticipated cost savings and synergies may be affected by a number of factors, including, but not limited to:

- our ability to rationalize manufacturing capacity, reduce head count and expenses by eliminating duplicative back office overhead and functions, rationalize redundant selling, general and administrative functions and rationalize our distribution and warehousing networks; and
- our ability to optimize procurement savings with respect to certain raw materials and equipment.

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 Graham Packaging 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 Graham Packaging Acquisition.***

The RGHL Group will incur a number of non-recurring costs associated with completing the Graham Packaging Acquisition. In addition, the RGHL Group expects to incur approximately \$75 million of one-time costs to achieve the expected cost savings and synergies from the Graham Packaging 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) receiving the new indebtedness 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 indebtedness, and may be required to pay interest on such incremental term loans, prior to the consummation of the Graham Packaging Acquisition. For each month that the proceeds of the new indebtedness remains in escrow, interest of \$14.9 million will be incurred by the escrow entities, based on the interest rates assumed in the section “Unaudited Pro Forma Combined Financial Information.”

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

The RGHL Group has obtained committed financing for purposes of, among other things, financing the Graham Packaging Acquisition. The proceeds of that financing, together with the proceeds of the new indebtedness, will be used to finance the Graham Packaging Acquisition. The RGHL Group’s ability to access this financing is subject to the satisfaction of certain conditions. Under the Merger Agreement, the RGHL Group’s obligation to consummate the Graham Packaging 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 substantially more expensive and onerous or unavailable on any commercially reasonable terms.

***We may be unsuccessful in our attempt to enter into the New Incremental Senior Secured Credit Facilities, and if so, we will seek alternative debt financing that may require the redemption or repurchase of the Graham Packaging Notes, require us to take actions or provide guarantees that we do not currently intend to take or provide, and result in an increase of pro forma indebtedness and interest expense.***

We have assumed for purposes of this information statement that we will enter into the New Incremental Senior Secured Credit Facilities and that we will not redeem or repurchase any Graham Packaging Notes. However, if we are unable to enter into the New Incremental Senior Secured Credit Facilities, we will seek alternative debt financing, the terms of which may be different than those that we have assumed and we may be required to take actions or provide guarantees that we do not currently intend to take or provide. See “Description of Certain Other Indebtedness.” If we were to redeem or repurchase all or a portion of the

Graham Packaging Notes, the amount of net debt that we will incur in connection with the Graham Packaging Transaction would increase by the amount of any required redemption premium and additional or duplicative interest costs, and any such increases would increase our pro forma indebtedness and interest expense.

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

Because we acquired Dopaco on May 2, 2011 and Pactiv on November 16, 2010, our historical financial information does not consolidate the financial results for the RGHL Group, Dopaco and Pactiv, other than the RGHL Group's financial statements for the year ended December 31, 2010 and for the three months ended March 31, 2011, which reflect Pactiv's results since the Pactiv Acquisition. Similarly, because the RGHL Group will acquire Graham Packaging only upon completion the Graham Packaging Transaction, it has no available historical financial information that consolidates the financial results for the RGHL Group and Graham Packaging. The historical financial statements consist of the financial statements of the RGHL Group, the separate financial statements of Pactiv for periods prior to the Pactiv Transaction, separate financial statements for Dopaco and separate financial statements for Graham Packaging. In addition, Pactiv's, Dopaco's and Graham Packaging's historical financial statements are presented in accordance with U.S. GAAP, which differs in certain respects from IFRS, the accounting principles used by the RGHL Group. In adjusting U.S. GAAP financial information to IFRS for purposes of the unaudited pro forma combined financial information presented in this information statement, we have not attempted to quantify all the differences that would have been identified if the complete historical Pactiv, Dopaco and Graham Packaging financial statements had been prepared in accordance with IFRS. The conversion provided for in such pro forma financial statements may not be a complete summary of all the differences that would result had a full exercise been undertaken. Accordingly, the identified differences may not represent all the material adjustments to the relevant financial information necessary to present the financial statements on an IFRS basis consistent with the RGHL Group's financial statements.

The unaudited pro forma combined financial information presented in this information statement is for illustrative purposes only and is not intended to, and does not purport to, represent what our actual results or financial condition would have been if the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction had occurred on the relevant dates. In addition, such unaudited pro forma combined financial information is based in part on certain assumptions regarding the Graham Packaging Transaction that the RGHL Group believes are reasonable. These assumptions, however, are only preliminary and will be updated only after the consummation of the Graham Packaging Acquisition. The unaudited pro forma combined financial information has been prepared using the purchase method of accounting, pursuant to which the purchase price in connection with acquisitions is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the acquisition, with any excess purchase price allocated to goodwill. The preliminary allocation of the purchase price in connection with the Graham Packaging Acquisition and the Pactiv Acquisition as reflected in the unaudited pro forma combined financial information is based upon our management's preliminary estimates of the values of assets acquired and liabilities assumed. No preliminary allocation of the purchase price in connection with the Dopaco Acquisition is reflected in the unaudited pro forma combined financial information except that the excess of the purchase price over the historical carrying values has been allocated to goodwill. For more information, see "Unaudited Pro Forma Combined Financial Information." The final purchase price allocations may be different than those reflected in the preliminary pro forma purchase price allocations, and the differences may be material.

In addition, the RGHL Group incurred a number of non-recurring costs associated with completing the Pactiv Acquisition and we expect to incur approximately \$115 million of additional one-time costs to achieve the expected cost savings and synergies from the Pactiv Acquisition. We expect to incur approximately \$75 million of one-time costs to achieve the expected cost savings and synergies from the Graham Packaging Acquisition. Because these costs are not recurring and certain costs are capital in nature, they are not reflected in the unaudited pro forma combined income statements included elsewhere in this information statement. Accordingly, the historical and pro forma financial information included in this information statement does not

reflect what the RGHL Group's results of operations and financial condition would have been had the RGHL Group been a consolidated entity with Pactiv, Dopaco and Graham Packaging during all periods presented, or what our results of operations and financial condition will be in the future.

Other important information about the presentation of our financial information is included under the heading "Presentation of Financial Information." Although EBITDA, along with Adjusted EBITDA and Pro Forma Adjusted EBITDA, as the case may be, is derived from the financial statements of the RGHL Group, Pactiv, Dopaco and Graham Packaging, the calculation of Adjusted EBITDA 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 and the determination of foreign currency conversions contain significant estimates and assumptions. Although we believe these estimates and assumptions are reasonable and correct, investors should not place undue reliance upon Adjusted EBITDA and Pro Forma Adjusted EBITDA as indicators of current and future performance given how they are calculated and the possibility that actual results may differ from the underlying estimates and assumptions.

***We may not be able to successfully integrate Pactiv, Graham Packaging (including certain entities it acquired prior to the Graham Packaging Acquisition) or other businesses we have acquired in the past or may acquire in the future, and we may not be able to realize anticipated cost savings, revenue enhancements or other synergies from such acquisitions.***

Our ability to successfully implement our business plan and achieve targeted financial results depends on our ability to successfully integrate Pactiv, Graham Packaging (including certain entities it acquired prior to the Graham Packaging Acquisition) or other businesses we have acquired in the past or may acquire in the future. See "The Transactions" section included in this information statement and "Management's Discussion and Analysis of Financial Condition and Results of Operations-Acquisitions" included in Graham Packaging's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the three months ended March 31, 2011. Acquisitions inherently involve risks, including those associated with assimilating and integrating different business operations, corporate cultures, personnel, infrastructure and technologies or products and increasing the scope, geographic diversity and complexity of operations. There may be additional costs or liabilities associated with the acquisitions that we have consummated in recent years that we did not anticipate at the time such acquisitions were consummated, including an unexpected loss of key employees or customers and hiring additional management and other critical personnel. These acquisitions may also be disruptive to our ongoing business and may not be successfully received by our customers. Any of these risks could adversely affect our business, financial condition and results of operations.

***We may be subject to lawsuits that threaten to delay or enjoin the Graham Packaging Acquisition, including actions taken by holders of the Graham Packaging Notes, and any such lawsuits may delay the release of the proceeds of the new indebtedness from escrow or require us to redeem or otherwise repurchase the outstanding Graham Packaging Notes.***

We may be subject to lawsuits that threaten to delay or enjoin the Graham Packaging Acquisition, including actions taken by holders of the Graham Packaging Notes. For example, we are in receipt of a letter from counsel representing a group of holders in connection with the Graham Packaging Tender Offers who purport to hold a majority of the outstanding amount of the Graham Packaging 2017 Notes and Graham Packaging 2018 Notes. While the letter does not threaten legal action, it does state that such holders reserve the right to challenge the Graham Packaging Acquisition and, in particular, the proposed terms of the senior secured intercompany loan. While the letter does not threaten legal action, nor do we believe that such holders have a legal basis to object to or enjoin the Graham Packaging Acquisition, any lawsuits by such holders, or any other party, may delay the release of the proceeds of the new indebtedness from escrow or require us to take actions or provide guarantees that we do not currently intend to take or provide.

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

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

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

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

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

## Risks Related to Our Business

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

The RGHL Group's lack of an operating history as a single company combining all of the RGHL Group's segments and Dopaco 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 reviewing our financial statements, it is important to consider that although the financial statements of the RGHL Group for the periods presented in this information statement reflect the operations of our businesses for all periods presented — other than our Hefty consumer products and Pactiv foodservice packaging businesses, whose results are included only for the period of November 16, 2010 to December 31, 2010 and for the three months ended March 31, 2011, and our Dopaco business, which we acquired on May 2, 2011, and whose results are not reflected in the RGHL Group's financial statements — we did not operate these other 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, and Closures segments and the Reynolds foodservice packaging and Reynolds consumer products businesses which are part of our Pactiv Foodservice and Reynolds Consumer Products segments, respectively, have been under common ownership and control through entities ultimately 100% owned by Graeme Hart, our strategic owner, for several years. However, these entities 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 Reynolds Foodservice Acquisition on September 1, 2010. Further, we acquired Pactiv in connection with the Pactiv Transaction which was consummated on November 16, 2010. We are in the process of combining our Reynolds consumer products and Reynolds foodservice packaging businesses with our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, to form integrated Reynolds Consumer Products and Pactiv Foodservice segments. We acquired Dopaco in connection with the Dopaco Acquisition which was consummated on May 2, 2011. We are in the process of combining Dopaco with our Pactiv Foodservice segment.

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

Raw material costs historically have represented a significant portion of our cost of sales, so changes in raw material prices may impact our results of operations. The primary raw materials for our aseptic and fresh carton packaging, foodservice, closures and consumer products are plastic resin (particularly high-density polyethylene, or "HDPE," polypropylene, or "PP," polyethylene, or "PE," polystyrene, or "PS," and polyethylene terephthalate, or "PET"), cartonboard, aluminum and inks. The primary raw material for the construction of filling and capping machines is stainless steel and the primary raw materials 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 in September 2008. Resin prices then declined until February 2009 and were stable for a number of months before starting to increase in the second half of 2009. Resin prices during 2010 were significantly higher than 2009. Prices increased through the first half of 2010, stabilized in the third quarter and have since started to increase again. Consistent with the trend in commodity markets, aluminum prices increased significantly in 2008, declined between late-2008 and mid-2009, increased through the end of 2009, fluctuated during 2010 and increased in the first quarter of 2011.

In addition to our dependence on primary raw materials, we are also dependent on different sources of energy for our operations, such as coal, fuel oil, electricity and natural gas. 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 other transportation costs.

Fluctuation in raw material costs can adversely affect our business because most of our purchases of raw materials are at market prices, through contracts tied to market prices or in the spot market, and our ability to pass cost increases through to our customers may be limited or delayed. While we sometimes enter into hedging agreements for some of our raw materials and energy sources, such as aluminum and natural gas, to minimize the impact of such fluctuations, we generally have not entered into hedging arrangements for plastic resin or other raw materials and energy sources. 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 Products' store branded products are sold under agreements with resin price adjustment mechanisms, sales agreements for its Reynolds branded products, which represent the majority of its total aluminum foil products, do not provide for any such mechanisms for aluminum prices. Pactiv Foodservice sells its products either by purchase order or pursuant to formal contracts, which contracts often contain raw material cost pass-through mechanisms. In accordance with its agreements with customers and industry practice, Graham Packaging passes through to its customers changes in resin prices by means of corresponding changes in product pricing. 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. 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. 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. One of Evergreen's supply agreements for wood fiber, which expires on May 14, 2014, currently accounts for approximately 22% of its total requirements for the supply of wood chips and the prices that Evergreen pays for wood fiber under that agreement at any particular time may be greater or less than spot market prices. Evergreen also has agreements with numerous other suppliers to purchase wood fiber at market prices. If any of these agreements were to be terminated for any reason, or not renewed upon expiration, or if market conditions were to substantially change, we may not be able to find alternative, comparable suppliers or suppliers capable of providing our wood fiber needs on terms or in amounts satisfactory to us. As a result, our business, financial condition and operating results could suffer.

In addition, the cost and availability of wood fiber have at times fluctuated greatly because of weather, economic or general industry conditions. From time to time, timber harvesting may be limited by natural events, such as fire, insect infestation, disease, ice storms, excessive rainfall and windstorms, or by harvesting restrictions. Production levels within the forest products industry are also affected by such factors as currency fluctuations, duties and finished lumber prices. All of these factors can increase the price we pay for wood fiber from our existing suppliers or from any new suppliers and we may not be able to immediately pass on raw material price increases to our customers, if at all. Due to differences in the timing of the pricing mechanism trigger points between our sales and purchase contracts, there is often a lead-lag impact during which margins are negatively impacted for the short term in periods of rising raw material prices and positively impacted in periods of falling raw material prices. Therefore, selling prices of our finished products may not increase in response to raw material price increases. Our operating results may be materially and adversely affected if we are unable to pass 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 are sourced from a relatively small number of suppliers. In addition, we do not have written contracts with some of our suppliers and many of our contracts can be terminated on short notice. As a consequence, we are highly dependent on these suppliers for an uninterrupted supply of our key raw materials. Such supply could be disrupted for a wide variety of reasons, many of which are beyond our control. Any interruption in the supply of raw materials could have an adverse impact on our business and results of operations. In addition, SIG relies on one supplier for a significant majority of its cartonboard requirements for its aseptic carton packaging business. If the supply of cartonboard or such manufacturing agreement is terminated or interrupted and SIG is unable to obtain a replacement supplier or manufacturer within a reasonable amount of time, it may experience a significant interruption to its production of aseptic carton packaging sleeves, which may adversely affect our business and results of operations.

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

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

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

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

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

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

All of our segments operate in highly competitive markets. Some of our segments, such as SIG and Evergreen, operate in markets with a limited number of key global competitors. Certain of those competitors have a significantly higher market share than we do, globally or in the geographic markets in which we compete, and may have substantially greater financial and other resources than we do. The global beverage

caps and closures market is highly fragmented, with Closures being one of a relatively small number of key global participants. Reynolds Consumer Products faces significant competition in all of its product lines from numerous national and regional companies of various sizes and cost structures. The foodservice market is also highly fragmented, with Pactiv Foodservice being one of the few participants with a product range that spans most of the foodservice product categories. Some competitors offer a more specialized variety of packaging materials and concepts and may serve more geographic regions through various distribution channels.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect us. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the United States Environmental Protection Agency, or "EPA," is regulating certain greenhouse gas

emissions under existing laws such as the Clean Air Act. These and other foreign, federal and state climate change initiatives may cause us to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from our suppliers, customers or both incurring additional compliance costs that could get passed through to us or impact product demand. Additionally, the EPA is continuing the development of other new standards and programs, such as regulations under the Clean Air Act governing emissions from industrial boilers, that when finalized could also result in additional material costs to us.

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

***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, refer to the Holder Notification and “Operating and Financial Review and Prospects” in the RGHL Group’s Annual Report for the year ended December 31, 2010 and Quarterly Report for the three months ended March 31, 2011 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Graham Packaging’s Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the three months ended March 31, 2011. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings programs, lack of sustainability in cost savings over time, unexpected costs associated with operating our business and our ability to eliminate duplicative back office overhead and redundant selling, general and administrative functions, obtain procurement related savings, rationalize our distribution and warehousing networks, rationalize manufacturing capacity and shift production to more economical facilities and our ability to avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction. For the three months ended March 31, 2011 and the year ended December 31, 2010, we incurred costs of \$0.7 million and \$11.4 million, respectively, at SIG, nil and \$1.8 million, respectively, at Evergreen, \$0.4 million and \$2.6 million, respectively, at Closures, \$11.2 million and \$6.4 million, respectively, at Reynolds Consumer Products, \$25.9 million and nil, respectively, at Pactiv Foodservice and \$12.2 million and nil, respectively, at corporate to implement our cost savings programs. We expect to incur cash outlays of approximately \$125 million by the end of 2012 related to the integration of the Pactiv businesses, of which approximately \$21 million has been incurred through March 31, 2011. In addition, Graham Packaging completed its acquisition of certain entities on September 23, 2010. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Acquisitions” included in Graham Packaging’s Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the three months ended March 31, 2011. We anticipate incurring costs of approximately \$26.0 million by the end of 2013 to achieve the anticipated costs savings in connection with Graham Packaging’s acquisition of such entities.

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

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, we will not be

fully insured against all risks associated with pollution and other environmental incidents or impacts. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or obtain or renew insurance against certain risks. Any significant uninsured liability may require us to pay substantial amounts which would adversely affect our cash position and results of operations.

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

***Loss of any of our key manufacturing facilities could have an adverse effect on our financial condition or results of 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, may have a material adverse effect on our financial condition or results of operations. After the consolidation of Reynolds Consumer Products' Richmond and Louisville manufacturing facilities in late 2009, we can only perform the foil rolling phase of our foil manufacturing process in our Louisville plant and the melting and casting phase in our 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 that facility for a short period of time. Similarly, we were affected by earthquakes in Chile in 2010 and Japan in 2011, which caused one of Closures' facilities in each country to suspend or significantly curtail its operations for up to approximately two months.

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

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

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

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

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

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

Consolidation among our customers could adversely affect our profitability. 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.

Additionally, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging rely on a relatively small number of customers for a significant portion of their revenue. In 2010, Reynolds Consumer Products' top ten customers accounted for 65% of our Reynolds consumer products and Hefty consumer products businesses' combined revenue for the full year, with one customer accounting for 26% of such revenue. In 2010, Pactiv Foodservice's top ten customers accounted for approximately 57% of our Reynolds foodservice packaging and Pactiv foodservice packaging businesses' combined revenue for the full year, and each of two customers accounted for approximately 13% of such revenue. In 2010, Graham Packaging's top ten customers accounted for 51% of its net sales for the year, with one customer accounting for approximately 10% of such net sales. The loss of any of our significant customers could have a material adverse effect on our business, financial condition and results of operations.

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

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

In addition, if any of our products are found to be defective, we could be required to recall such products, which could result in adverse publicity, significant expenses and a disruption in sales and could affect our reputation and that of our products. Although we maintain product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy. For example, various Graham Packaging products have recently been subject to recalls. Consequently, Graham Packaging has been held liable for costs resulting from such recalls, some of which were not covered by Graham Packaging's insurance.

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

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

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

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is U.S. dollars, we operate in different geographical areas and transact in a range of currencies in addition to

dollars. Our other 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, or “NZ\$,” 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 United States 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, consultants, customers, vendors and potential acquisition candidates, 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. 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. Infringement of our intellectual property may adversely affect our results of operations and make it more difficult for us to establish a strong market position in countries which may not afford adequate protection of intellectual property. Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets and similar proprietary rights to third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. If necessary, we also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

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

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

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

developments may be adversely affected by our debt servicing requirements or our inability to obtain the financing we require to develop or acquire competing technologies.

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

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

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

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

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 who are currently not employees from the many companies previously owned by Tenneco but not now 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 if only Pactiv personnel were participants. For this reason, the impact of the pension plans on Pactiv's net income and cash from operations is greater than the impact typically found at similarly sized companies. Changes in the following factors can have a disproportionate effect on 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 United States and foreign countries and (v) financial market performance. As of December 31, 2010, Pactiv's U.S. pension plan was underfunded by approximately \$510.8 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.

***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 certain countries that are exposed to economic and political instability. For example, Evergreen ceased operations 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 their customers. In the event that a customer defaults under the terms of its lease, under certain circumstances, these finance companies could require us to repurchase the filling machine. As a result, we are exposed to the credit risk of our customers under these leasing arrangements. The potential obligation

to buy back filling machines exposed the RGHL Group to a potential maximum liability of \$28.5 million as of March 31, 2011, \$32.3 million as of December 31, 2010 and \$86.8 million as of December 31, 2009. If we have to repurchase filling machines, we may have to utilize our available cash or our availability under our revolving credit facility.

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

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

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

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

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

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

SIG currently sells, and our other segments may in the future sell, a significant portion of its trade receivables through factoring programs to finance our working capital needs. At March 31, 2011 and at December 31, 2010, 42% and 46%, respectively, of SIG's trade receivables were subject to non-recourse factoring programs. The factoring programs are an important source of liquidity, even though the SIG program is not reflected on our balance sheet.

Our access to factoring programs depends on the availability of receivables insurance and on our credit rating and 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 times of financial market turmoil. A ratings downgrade, bankruptcy, receivership, default or similar event involving such institutions may adversely affect the institution's performance under letters of credit, limit our access to capital, impact the ability of our suppliers to provide us with raw materials needed for our production, impact the ability of our customers to meet obligations to us or adversely affect our liquidity, future business and results of operations.

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

We are subject to taxation in and to the tax laws and regulations of multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness, including the new indebtedness, 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, 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. See "Operating and Financial Review and Prospects — Aluminum Hedging" in the RGHL Group's Annual Report for the year ended December 31, 2010 and Quarterly Report for the three months ended March 31, 2011.

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

Before we acquired certain of the businesses that now comprise our segments, the financial results of such businesses were reported under U.S. GAAP. Following the acquisition of such businesses, we reported our consolidated results, which included the financial results of such acquired businesses, under IFRS. In addition, we have never been directly subject to the reporting and other requirements of the U.S. Securities Exchange Act of 1934, or the "Exchange Act."

The changes in reporting required as a result of the acquisition of certain businesses that now comprise our segments, changes in reporting required as a result of the Dopaco Acquisition and the Graham Packaging Acquisition and the additional reporting obligations under the agreements governing the new indebtedness and the Existing 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 agreements governing the new indebtedness and the agreement governing the Senior Secured Credit Facilities. Such failure would constitute an event of default under the new indebtedness, the Existing Notes and the Senior Secured Credit Facilities and could affect our business, financial position and results of operations.

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

Certain of our business operations were acquired through transactions that resulted in them being carved out from other companies. In the process of undertaking these carve-out acquisitions, certain accounting and internal control functions that were performed by the seller's corporate and shared services functions were not acquired or were provided by the seller on a limited basis through transitional service arrangements.

In the initial period of our operation of these businesses, we reported weaknesses identified by our auditors in our internal controls over financial reporting for such businesses. Certain of these weaknesses had been defined as material. We undertook activities to improve our internal controls over financial reporting and remediated such weaknesses. The processes to remediate these material weaknesses and improve our overall internal controls have been, and will continue to be, time-consuming and potentially costly.

## THE TRANSACTIONS

### **The Graham Packaging Transaction**

#### *Graham Packaging Acquisition*

The Graham Packaging Transaction is a transaction pursuant to which Bucephalus Acquisition Corp., a wholly-owned indirect subsidiary of RGHL, will merge with and into Graham Company, with Graham Company surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this acquisition as the “Graham Packaging Acquisition.”

On June 17, 2011, RGHL, Bucephalus Acquisition Corp. and Graham Packaging entered into the Merger Agreement pursuant to which (i) the stockholders of Graham Packaging will, if the Graham Packaging Acquisition is consummated, receive cash in exchange for their shares and (ii) Bucephalus Acquisition Corp., a wholly-owned indirect subsidiary of RGHL, will merge with and into Graham Packaging, with Graham Packaging surviving the merger as an indirect wholly-owned subsidiary of RGHL. The consideration for the acquisition of Graham Packaging, the repayment of certain Graham Packaging indebtedness (including the repayment of the Graham Packaging Notes pursuant to the Graham Packaging Tender Offers, if any, and the repayment of Graham Packaging’s senior secured credit facilities) and the payment of fees and expenses is valued at approximately \$4.3 billion.

Under the terms of the Merger Agreement, Graham Packaging’s stockholders will receive \$25.50 in cash for each share of Graham Packaging’s common stock they own at the effective time of the Graham Packaging Acquisition.

Graham Packaging’s board of directors approved the Merger Agreement and, following the execution of the Merger Agreement, the holders of a majority of common shares acted by written consent to adopt and approve the Merger Agreement and the transactions contemplated thereby. No further approval of the merger by the stockholders of Graham Packaging is required. Completion of the transaction is subject to U.S. and foreign regulatory approvals, and other customary closing conditions, and is expected to occur in the third quarter of 2011. However, the consummation of the Graham Packaging Acquisition is subject to certain conditions and may not close within the expected timeframe, or at all. See “Risk Factors — Risks Related to the Graham Packaging Acquisition and Our Other Acquisitions.”

#### *Graham Packaging Acquisition Financing*

In connection with the Graham Packaging Acquisition, we have or will be initiating certain financing arrangements including the Graham Packaging Tender Offers, as well as the new indebtedness and entry into and related borrowings under the New Incremental Senior Secured Credit Facilities.

We intend to finance the Graham Packaging Acquisition with (i) the \$1,500 million principal amount of new senior secured indebtedness (ii) the \$500 million principal amount of new senior indebtedness offered hereby, (iii) the \$2,000 million principal amount of the incremental term loans under the New Incremental Senior Secured Credit Facilities and (iv) available cash. We refer to these financing arrangements as the “New Financing Arrangements.”

There can be no assurance that we will be able to enter into the New Incremental Senior Secured Credit Facilities. If we are unable to enter into the New Senior Secured Incremental Credit Facilities, we will seek alternative debt financing, and may be required to take actions or provide guarantees that we do not currently intend to take or provide. See “Description of Certain Other Indebtedness.”

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

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

The purpose of the Graham Packaging Tender Offers is to collectively offer holders of Graham Packaging Notes an opportunity to receive consideration that represents a premium to the consideration that they would

receive if they were to require the issuers of the Graham Packaging Notes to purchase such notes in a change of control offer resulting from the Graham Packaging Acquisition, assuming a 30 day notice period following the change of control, and to provide RGHL and its affiliates with “Permitted Holder” status under the indentures governing the Graham Packaging Notes that is substantially similar to the status that they would have if a change of control offer were consummated. In the event that the proposed amendments are adopted with respect to a series of Graham Packaging Notes, the issuers of the Graham Packaging Notes will not be required to make a change of control offer for the untendered Graham Packaging Notes of that series of Graham Packaging Notes in connection with the Graham Packaging Acquisition or with respect to the ownership of Graham Packaging by RGHL and its affiliates.

### ***Senior Secured Intercompany Notes***

In connection with the Graham Packaging Acquisition, RGHL, through one of its subsidiaries, intends to lend approximately \$2,000 million on the closing date of the Graham Packaging Acquisition to certain subsidiaries of Graham Holdings pursuant to an intercompany loan agreement evidenced by senior secured intercompany notes. The proceeds of the loan made on the closing date of the Graham Packaging Acquisition will be used to repay Graham Packaging’s senior secured credit facilities and to pay related fees and expenses. Such loan will be funded by RGHL with proceeds from the New Incremental Senior Secured Credit Facilities and available cash. In addition, additional intercompany loans may be advanced pursuant to such intercompany loan agreement to be used to repay certain indebtedness of Graham Packaging. The loan made on the closing date of the Graham Packaging Acquisition and any loans made after the closing date of the Graham Packaging Acquisition are expected to bear interest at a rate equal to LIBOR (subject to a LIBOR floor) plus a margin to be agreed at the time of any such advance. Each loan is expected to mature on or about November 15, 2018 and is expected to require mandatory quarterly amortization. In addition, the intercompany loan agreement is expected to contain a cash flow sweep covenant under which the borrowers will be required to make periodic cash sweep payments to repay the principal balance of the loans, based on excess cash flow. The terms of the loans may vary depending on market conditions at the time of incurrence. We intend to seek a fairness opinion from a third party with respect to the terms of such loan.

The current guarantors of Graham Packaging’s senior secured credit facilities will guarantee the senior secured intercompany notes. The lender of the intercompany loans, which will be RGHL or one of its subsidiaries, will have a first priority perfected security interest in certain assets of Graham Holdings and its subsidiaries, and the senior secured intercompany notes evidencing the intercompany loans will be pledged for the benefit of the holders of the new senior secured indebtedness, the holders of the Existing Secured Notes and the lenders under the Senior Secured Credit Facilities.

We refer to the Graham Packaging Acquisition, the New Financing Arrangements and the other related transactions as the “Graham Packaging Transaction.”

### **The Dopaco Acquisition**

On May 2, 2011, we acquired Dopaco from Cascades Inc. The consideration for the acquisition was \$398.1 million in cash, subject to certain customary post-closing adjustments for net debt and working capital. The purchase price was paid from existing cash of the RGHL Group. We refer to this acquisition as the “Dopaco Acquisition.” We are in the process of combining Dopaco with our Pactiv Foodservice segment.

### **The Refinancing Transactions**

On February 1, 2011, the Issuers issued \$1.0 billion principal amount of February 2011 Senior Secured Notes and \$1.0 billion principal amount of February 2011 Senior Notes. Proceeds from the offering of the February 2011 Notes were used to fully repay the Original Tranche D Term Loans, and the remaining proceeds have been or will be used for general corporate purposes, which may include financing future strategic acquisitions and repaying additional indebtedness.

On February 9, 2011, we entered into an amended and restated credit agreement and borrowed \$2,325 million in U.S. term loans and €250 million in European term loans. The proceeds from the term loans under the Senior Secured Credit Facilities were applied to refinance all term loans outstanding under the Original Senior Secured Credit Facilities. This refinancing resulted in reducing the interest rates and extending the repayment terms and maturity date of our term loans.

We refer to these refinancing transactions as the “Refinancing Transactions.”

### **The Pactiv Transaction**

On November 16, 2010, a wholly-owned indirect subsidiary of RGHL merged with and into Pactiv, with Pactiv surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this merger as the “Pactiv Acquisition.” Pactiv’s stockholders received \$33.25 in cash for each share of Pactiv common stock, for an aggregate purchase price for the common stock of approximately \$4.5 billion.

In connection with the Pactiv Acquisition, we commenced an offer to purchase and consent solicitation with respect to Pactiv’s 6.400% Notes due 2018. Pursuant to such tender offer, Pactiv purchased for cash \$234.3 million in aggregate principal amount of tendered 6.400% Notes due 2018, with \$15.7 million in aggregate principal amount remaining outstanding as of March 31, 2011. Pursuant to such tender offer, Pactiv obtained the requisite consents to eliminate the covenant requiring Pactiv to make an offer to purchase the 6.400% Notes due 2018 if a “change of control triggering event” occurs, as defined in the applicable indenture.

We also commenced a change of control offer with respect to Pactiv’s 5.875% Notes due 2012, as required by the applicable indenture. Pursuant to the change of control offer, Pactiv purchased for cash \$0.7 million in aggregate principal amount of tendered 5.875% Notes due 2012. As of March 31, 2011, \$249.3 million in aggregate principal amount of Pactiv’s 5.875% Notes due 2012 remained outstanding.

We financed the Pactiv Acquisition with (i) the \$1,500 million principal amount of October 2010 Senior Secured Notes, (ii) the \$1,500 million principal amount of October 2010 Senior Notes, (iii) the \$2,020 million principal amount of the Original Tranche A Term Loans and Original Tranche D Term Loans and (iv) \$322 million in cash contributed to RGHL. See “Part I — Item 10. Additional Information — Material Contracts” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

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

### **The Reynolds Foodservice Acquisition**

On September 1, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the Reynolds foodservice packaging business from an affiliated entity that is beneficially owned by our strategic owner, Graeme Hart. The total purchase price was \$341 million (including certain post-closing adjustments), which we financed with available cash. We refer to this acquisition as the “Reynolds Foodservice Acquisition.” See “Part I — Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Acquisitions — Reynolds Foodservice Acquisition” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

### **The Evergreen Transaction**

On May 4, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the business that constitutes our Evergreen segment from affiliated entities that are beneficially owned by our strategic owner, Graeme Hart, for a total purchase price of \$1,612.0 million (including certain post-closing adjustments). We refer to this acquisition as the “Evergreen Acquisition.” See “Part I — Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Acquisitions — Evergreen Acquisition” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

On the same date, an indirect wholly-owned subsidiary of RGHL acquired the assets and liabilities associated with the Whakatane paper mill from CHH for a total purchase price of \$45.6 million (including certain post-closing adjustments). We refer to this acquisition as the “Whakatane Acquisition.” After the consummation of the Whakatane Acquisition, the Whakatane paper mill became a part of our SIG segment. See “Part I — Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Acquisitions — Whakatane Acquisition” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

We financed the Evergreen Acquisition and the Whakatane Acquisition with (i) the \$1,000.0 million principal amount of the May 2010 Notes, (ii) the \$800.0 million principal amount of the Original Tranche C

Term Loans and (iii) available cash. On the date of the closing of the acquisitions, certain credit facilities of the acquired businesses were fully repaid.

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

### **The RGHL Transaction**

On November 5, 2009, BP III acquired the business that constitutes our Closures segment from an affiliated entity that is beneficially owned by our strategic owner, Graeme Hart, for a total purchase price of \$1,230.5 million (including certain post-closing adjustments). We refer to this acquisition as the “Closures Acquisition.” See “Part I — Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Acquisitions — Closures Acquisition” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

On the same date, BP III acquired the Reynolds consumer products business from an affiliated entity that is beneficially owned by our strategic owner, Graeme Hart, for a total purchase price of \$1,797.4 million (including certain post-closing adjustments). We refer to this acquisition as the “Reynolds Consumer Acquisition” and, together with the “Closures Acquisition,” as the “RGHL Acquisition.” See “Part I — Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Acquisitions — Reynolds Consumer Acquisition” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

We financed the RGHL Acquisition with (i) a \$544.0 million cash contribution by RGHL to BP I, (ii) the \$1,125 million and the €450 million principal amount of 2009 Notes, (iii) the \$1,035 million principal amount of the Original U.S. Term Loans, (iv) the €250 million principal amount of the Original European Term Loans, and (v) €116 million of cash from SIG.

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

### **The Reynolds Acquisition**

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities that are ultimately owned by our strategic owner, Graeme Hart, acquired Alcoa’s closures, consumer products and food and flexible packaging businesses for \$2.7 billion in cash (including certain post-closing adjustments). We refer to this acquisition as the “Reynolds Acquisition.”

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

### **The SIG Transaction**

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

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

“Part I — Item 10. Additional Information — Material Contracts — 2007 Notes” in the RGHL Group’s Annual Report for the year ended December 31, 2010.

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

**The Initial Evergreen Acquisition**

Through a series of acquisitions that occurred from January 31, 2007 to April 30, 2007, certain entities that were ultimately owned by our strategic owner, Graeme Hart, acquired IP’s Bev Pack Business for \$496.7 million in cash (including certain post-closing adjustments). We refer to this acquisition as the “Initial Evergreen Acquisition.”

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

The Initial Evergreen Acquisition was financed with a total of \$425.0 million drawn under a facility agreement.

## USE OF PROCEEDS

The expected estimated sources and uses of the funds for the Graham Packaging Transaction (assuming the Graham Packaging Transaction had been completed on March 31, 2011) are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimate of the cost of repaying certain of Graham Packaging's existing indebtedness (including the repayment of the Graham Packaging Notes pursuant to the Graham Packaging Tender Offers and the repayment of Graham Packaging's senior secured credit facilities), differences from our estimate of fees and expenses, fluctuations in cash on hand at Graham Packaging between March 31, 2011 and the actual closing date of the Graham Packaging Acquisition and fluctuations in applicable exchange rates.

We intend to use the proceeds from (i) the New Indebtedness together with the funds from the New Incremental Senior Secured Credit Facilities and available cash to finance the Graham Packaging Acquisition and to pay related fees and expenses and (ii) the New Incremental Senior Secured Credit Facilities and available cash to repay certain Graham Packaging indebtedness (including the repayment of the Graham Packaging Notes pursuant to the Graham Packaging Tender Offers, if any, and the repayment of Graham Packaging's senior secured credit facilities) and to pay related fees and expenses. The release of the proceeds of this offering from escrow is conditioned upon, among other factors, the contemporaneous consummation of the Graham Packaging Acquisition. There can be no assurance that the Graham Packaging Acquisition will close.

The following table summarizes the estimated sources and uses of funds in connection with the Graham Packaging Transaction assuming it had been completed as of March 31, 2011:

<u>Sources of Funds</u> <u>(In \$ millions)</u>		<u>Uses of Funds</u> <u>(In \$ millions)</u>	
New Incremental Senior Secured Credit Facilities <sup>(1)</sup> .....	\$1,980.0	Purchase of Graham Packaging equity <sup>(6)</sup> ..	\$1,796.4
New Senior Secured Indebtedness <sup>(2)</sup> .....	1,500.0	ITR Payment <sup>(7)</sup> .....	245.0
New Senior Indebtedness <sup>(3)</sup> .....	500.0	Repayment of existing Graham Packaging debt <sup>(8)</sup> .....	1,938.7
Existing Graham Packaging debt <sup>(4)</sup> .....	901.3	Existing Graham Packaging debt <sup>(4)</sup> .....	901.3
		Change in control payments to Graham Packaging executives, management and existing stockholders <sup>(9)</sup> .....	84.5
Cash <sup>(5)</sup> .....	<u>368.9</u>	Fees and expenses <sup>(10)</sup> .....	<u>284.3</u>
<b>Total sources of funds</b> .....	<b><u>\$5,250.2</u></b>	<b>Total uses of funds</b> .....	<b><u>\$5,250.2</u></b>

- (1) Reflects the \$2,000.0 million of proceeds from the incremental term loans under the New Incremental Senior Secured Credit Facilities net of an assumed \$20.0 million of original issue discount. See "Unaudited Pro Forma Combined Financial Information" for a sensitivity analysis related to the original issue discount.
- (2) Reflects the \$1,500.0 million of New Senior Secured Indebtedness. We have assumed that there will be no original issue discount in connection with the New Senior Secured Indebtedness. See "Unaudited Pro Forma Combined Financial Information" for a sensitivity analysis related to the original issue discount, if any.
- (3) Reflects the \$500.0 million of New Senior Indebtedness. We have assumed there will be no original issue discount in connection with the New Senior Indebtedness. See "Unaudited Pro Forma Combined Financial Information" for a sensitivity analysis related to the original issue discount, if any.
- (4) Reflects \$253.4 million of aggregate principal amount of Graham Packaging 2017 Notes, \$250.0 million aggregate principal amount of Graham Packaging 2018 Notes and \$375.0 million aggregate principal amount of Graham Packaging Subordinated Notes and other indebtedness of Graham Packaging that is assumed to remain outstanding following the Graham Packaging Transaction. We have assumed that no Graham Packaging Notes will be purchased in connection with the Graham Packaging Tender Offers or any change of control offers made in connection with the Graham Packaging Acquisition. For each \$1,000 of principal amount of Graham Packaging Notes purchased in connection with the Graham Packaging Tender Offers or any change of control offers made in connection with the Graham Packaging Acquisition,



there will be a corresponding \$1,000 decrease in existing Graham Packaging debt used as a source of funds and an offsetting increase in cash and/or new additional debt used as a source of funds.

- (5) Reflects existing cash and cash equivalents of RGHL and its direct and indirect subsidiaries (including Dopaco assuming it was acquired as of March 31, 2011) and existing cash and cash equivalents of Graham Packaging to be used in connection with the Graham Packaging Acquisition.
- (6) Reflects the equity purchase price for the Graham Packaging Acquisition of \$1,796.4 million or \$25.50 per share. The actual equity purchase price will be based on the number of shares outstanding on the effective date of the Graham Packaging Acquisition.
- (7) Reflects the amounts payable to certain Graham stockholders pursuant to change of control provisions in Graham Packaging's income tax receivable agreements.
- (8) Reflects the repayment in full of Graham Packaging's senior secured credit facilities in connection with the Graham Packaging Transaction. In addition, we have assumed no Graham Packaging Notes will be purchased in connection with the Graham Packaging Tender Offers or a change of control offer in connection with the Graham Packaging Acquisition. See "The Transactions — The Graham Packaging Transaction — Graham Packaging Tender Offers and Consent Solicitations."
- (9) Reflects the amounts payable to certain Graham Packaging executives, management and existing stockholders resulting from the change in ownership.
- (10) Reflects the estimated fees and expenses associated with the Graham Packaging Transaction.

## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Pactiv, Dopaco and Graham Packaging, as adjusted to illustrate the impact of the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction. For further information regarding the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction, see “The Transactions.” The unaudited pro forma combined balance sheet gives effect to the Graham Packaging Transaction and the Dopaco Acquisition as if they had been completed as of March 31, 2011. The unaudited pro forma combined income statements give effect to the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of the Evergreen Transaction as if they had been completed as of January 1, 2010.

We have assumed for purposes of the pro forma combined financial information that we will enter into the New Incremental Senior Secured Credit Facilities and that we will not redeem, repurchase or accept for purchase pursuant to the Graham Packaging Tender Offers or otherwise any Graham Packaging Notes. However, if we are unable to enter into the New Incremental Senior Secured Credit Facilities, we will seek alternative debt financing, the terms of which may be different than those that we have assumed and we may be required to take actions or provide guarantees that we do not currently intend to take or provide. See “Description of Certain Other Indebtedness.” If we were to redeem, repurchase or accept for purchase all or a portion of the Graham Packaging Notes, the amount of net debt that we will incur in connection with the Graham Packaging Transaction would increase by the amount of any required redemption premium and additional or duplicative interest costs, and any such increases would impact the unaudited pro forma combined financial information, including by increasing pro forma indebtedness and interest expense.

The unaudited pro forma combined financial information 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, 2010, less (ii) the unaudited pro forma combined income statement for the three months ended March 31, 2010, plus (iii) the unaudited pro forma combined income statement for the three months ended March 31, 2011.

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

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

- IFRS financial information for the RGHL Group under the column titled “Historical RGHL Group” has been derived without adjustment from the RGHL Group’s audited financial statements as of and for the year ended December 31, 2010 and the RGHL Group’s unaudited interim condensed financial statements as of March 31, 2011 and for the three month periods ended March 31, 2010 and 2011.
- The column titled “Adjustments for the Full Period Effect of the Financing Components of the Historical 2010 and 2011 Financing Transactions” in the unaudited pro forma combined income statements reflects the adjustments associated with the Refinancing Transactions, the financing components of the Pactiv Transaction and the financing components of the Evergreen Transaction. Specifically, this column gives effect to (i) the issuance of the February 2011 Notes, the drawings under the Senior Secured Credit Facilities and the repayment of the Original Senior Secured Credit Facilities, that were completed during February 2011, (ii) the issuance of the October 2010 Notes and the drawing of the Original Tranche A Term Loans and the Original Tranche D Term Loans in connection with the Pactiv Transaction, that were completed during October and November 2010, (iii) the issuance of the May 2010 Notes and the drawing of the Original Tranche C Term Loans in connection with the Evergreen Transaction, that were completed during May 2010 and (iv) the transaction fees and expenses associated with these transactions. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.
- U.S. GAAP financial information for Pactiv under the column titled “Historical Pactiv Group” has been derived from Pactiv’s unaudited accounting records for the period from January 1, 2010 to November 15, 2010, which incorporate the unaudited consolidated financial statements for the three

and nine month periods ended September 30, 2010, and Pactiv's interim unaudited consolidated financial statements for the three month period ended March 31, 2010, which is not included in this information statement, each of which has been reclassified to conform with the RGHL Group reporting format.

- The column titled "Adjustments to Historical Pactiv Results on Preliminary Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition" reflects certain adjustments to convert Pactiv's U.S. GAAP financial information to IFRS, to align Pactiv's U.S. GAAP accounting policies with the RGHL Group's IFRS accounting policies and to reflect the provisional impact of these adjustments on periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.
- U.S. GAAP financial information for Dopaco under the column titled "Historical Dopaco" has been derived from Dopaco's audited combined financial statements as of and for the year ended December 26, 2010 and Dopaco's interim unaudited combined financial statements as of March 27, 2011 and for the three month periods ended March 28, 2010 and March 27, 2011 and each of which has been reclassified to conform with the RGHL Group reporting format.
- The column titled "Adjustments to Historical Dopaco Results on Preliminary Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition" reflects certain adjustments to convert Dopaco's U.S. GAAP financial information to IFRS, to align Dopaco's U.S. GAAP accounting policies with the RGHL Group's IFRS accounting policies and to reflect the provisional impact of these adjustments on periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.
- U.S. GAAP financial information for Graham Packaging under the column titled "Historical Graham Packaging as Adjusted" has been derived from Graham Packaging's audited consolidated financial statements as of and for the year ended December 31, 2010 and Graham Packaging's condensed consolidated financial statements as of and for the three month periods ended March 31, 2010 and March 31, 2011, and each of which has been reclassified to conform with the RGHL Group reporting format.
- The column titled "Adjustments to Historical Graham Packaging as Adjusted Information on Preliminary Conversion from U.S. GAAP to IFRS" reflects certain adjustments to convert Graham Packaging's U.S. GAAP financial information to IFRS and to align Graham Packaging'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.
- The column titled "Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition" reflects management's preliminary assessment of the adjustments to reflect the provisional impact of fair values on periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.
- The column titled "New Financing Arrangements" reflects the incurrence of the \$1,500.0 million in new senior secured indebtedness and the \$500.0 million in new senior indebtedness, and the borrowing of the \$2,000.0 million term loans under the New Incremental Senior Secured Credit Facilities. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

We have adjusted the financial data of Pactiv, Dopaco and Graham Packaging for the periods presented 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, Dopaco and Graham Packaging financial information, as presented, 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 U.S. GAAP to IFRS conversion 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

material adjustments to Pactiv's, Dopaco's and Graham Packaging's financial data necessary to present them on an IFRS basis consistent with the RGHL Group'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 Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction and the financing components of 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 preliminary fair value and other adjustments related to the Pactiv Transaction, 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, 2010 for the purposes of the unaudited pro forma combined income statements. 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 Pactiv Acquisition, with any excess purchase price allocated to goodwill. As of December 31, 2010, the RGHL Group audited financial statements and as of March 31, 2011, the RGHL Group interim unaudited condensed financial statements include the effects of the preliminary allocation of the purchase price from the date that the Pactiv Acquisition was consummated. In accordance with IFRS, we are in the process of reviewing and finalizing the preliminary fair values, which also includes confirmation of the remaining useful lives of property, plant and equipment and intangible assets. This process will be completed no later than November 15, 2011. The final purchase price allocation may be different than that reflected in the RGHL Group audited December 31, 2010 financial statements and the RGHL Group interim unaudited condensed financial statements as of March 31, 2011, and those differences may be material.

With respect to the preliminary fair value and other adjustments related to the Dopaco Acquisition, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Dopaco Acquisition had been completed as of January 1, 2010 for the purposes of the unaudited pro forma combined income statements, and as of March 31, 2011 for the purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Dopaco Acquisition, with any excess purchase price allocated to goodwill. While 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 Dopaco Acquisition, we have not completed such appraisals. Consequently, the allocation of the purchase price as reflected in the unaudited pro forma combined financial information is based upon the historical book values reflected in Dopaco's accounting records of the assets acquired and liabilities assumed as if the Dopaco Acquisition had been completed as of the above dates. This allocation of the purchase price is preliminary and has been made solely for the purpose of developing the unaudited pro forma combined financial information. When we 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 Dopaco Acquisition, 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.

With respect to the preliminary fair value and other adjustments related to the Graham Packaging Transaction, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Graham Packaging Transaction had been completed as of January 1, 2010 for the purposes of the unaudited pro forma combined income statements, and as of March 31, 2011 for the purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Graham Packaging Acquisition, with any excess purchase price allocated to goodwill. 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 fair value of the assets acquired and liabilities assumed as if the Graham Packaging Acquisition 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 upon the closing of the Graham Packaging Acquisition. After the consummation of the Graham Packaging 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 Graham Packaging 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 Evergreen Transaction was completed on May 4, 2010. The Evergreen Transaction involved the repayment of certain then-existing indebtedness and the incurrence of new indebtedness under the Original Tranche C Term Loans 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 Evergreen Transaction as if they had been completed as of January 1, 2010.

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 Graham Packaging Transaction or the Dopaco Acquisition, (ii) any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Pactiv Transaction or as a result of any of the other acquisitions we have completed, or (iii) the impact of non-recurring items directly related to the Graham Packaging Transaction, the Dopaco Acquisition, the Refinancing Transactions, the Pactiv Transaction, the financing components of the Evergreen 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 RGHL Combined Group Adjusted EBITDA, which are each described under "Summary — Summary 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 discontinued operations as reflected in Pactiv's historical financial information.

The unaudited pro forma combined financial information should be read in conjunction with "Certain Definitions," "Risk Factors," "The Transactions," the Holder Notification, "Operating and Financial Review and Prospects" in the RGHL Group's Annual Report for the year ended December 31, 2010 and Quarterly Report for the three months ended March 31, 2011, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Graham Packaging's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the three months ended March 31, 2011, and all of the historical financial statements and the notes thereto.

**Unaudited Pro Forma Combined Balance Sheet as of March 31, 2011**

	Adjustments to Historical Dopaco Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition <sup>(6)</sup>			The Graham Packaging Transaction					
	Historical RGHL Group <sup>(1)</sup>	Historical Dopaco <sup>(5)</sup>	Pro Forma RGHL Group <sup>(7)</sup>	Historical Graham Packaging as Adjusted <sup>(8)</sup>	Adjustments to Historical Graham Packaging as Adjusted Conversion from US GAAP to IFRS <sup>(9)</sup>	Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition <sup>(10)</sup>	New Financing Arrangements <sup>(11)</sup>	Pro Forma Combined Group <sup>(13)</sup>	
(In \$ millions)									
<b>Assets</b>									
Cash and cash equivalents . . . . .	\$ 1,185.5	\$ 0.1	\$(398.1)(a)	\$ 787.5	\$ 172.0	\$ —	\$(4,173.4)(a)	\$3,804.5(a)	\$ 590.6
Trade and other receivables . . . . .	1,120.4	31.7	(0.6)(f)	1,151.5	321.6	—	—	—	1,473.1
Derivative assets . . . . .	15.3	—	—	15.3	0.1	—	—	—	15.4
Assets held for sale . . . . .	20.2	—	2.0(g)	22.2	6.6	—	—	—	28.8
Current tax assets . . . . .	53.2	—	—	53.2	36.4	(33.2)(b)	—	—	56.4
Inventories . . . . .	1,514.1	56.1	—	1,570.2	264.2	—	31.0(h)	—	1,865.4
Other assets . . . . .	48.4	3.2	—	51.6	19.0	—	—	—	70.6
<b>Total current assets . . . . .</b>	<b>3,957.1</b>	<b>91.1</b>	<b>(396.7)</b>	<b>3,651.5</b>	<b>819.9</b>	<b>(33.2)</b>	<b>(4,142.4)</b>	<b>3,804.5</b>	<b>4,100.3</b>
Non-current receivables . . . . .	307.0	—	—	307.0	—	4.9(f)	—	—	311.9
Investments in associates and joint ventures (equity method) . . . . .	118.0	2.0	(2.0)(g)	118.0	—	—	—	—	118.0
Deferred tax assets . . . . .	25.8	14.1	—	39.9	24.4	35.1(c)	22.0(h)	—	121.4
Property, plant and equipment . . . . .	3,281.4	153.6	—	3,435.0	1,207.5	(3.3)(a)	244.8(h)	—	4,884.0
Investment property . . . . .	67.0	—	—	67.0	—	—	—	—	67.0
Intangible assets . . . . .	8,945.8	36.0	201.4(d)	9,183.2	844.8	3.3(a)	3,101.6(h)	—	13,132.9
Derivative assets . . . . .	95.9	—	—	95.9	—	—	—	—	95.9
Other assets . . . . .	87.7	2.1	—	89.8	46.9	(26.3)(d)	—	—	110.4
<b>Total non-current assets . . . . .</b>	<b>12,928.6</b>	<b>207.8</b>	<b>199.4</b>	<b>13,335.8</b>	<b>2,123.6</b>	<b>13.7</b>	<b>3,368.4</b>	<b>—</b>	<b>18,841.5</b>
<b>Total assets . . . . .</b>	<b>\$16,885.7</b>	<b>\$298.9</b>	<b>\$(197.3)</b>	<b>\$16,987.3</b>	<b>\$2,943.5</b>	<b>\$(19.5)</b>	<b>\$ (774.0)</b>	<b>\$3,804.5</b>	<b>\$22,941.8</b>
<b>Liabilities</b>									
Bank overdrafts . . . . .	\$ 3.5	\$ —	\$ —	\$ 3.5	\$ —	\$ —	\$ —	\$ —	\$ 3.5
Trade and other payables . . . . .	1,495.7	38.0	(7.8)(f)(h)	1,525.9	388.3	—	—	—	1,914.2
Borrowings . . . . .	31.5	—	—	31.5	34.6	3.8(d)	(38.4)(b)	220.0(b)	251.5
Current tax liabilities . . . . .	150.1	0.8	—	150.9	15.2	—	17.5(h)(i)	(25.9)(c)	157.7
Derivatives . . . . .	0.2	—	—	0.2	4.6	—	—	—	4.8
Liabilities held for sale . . . . .	—	—	—	—	—	—	—	—	—
Employee benefits . . . . .	138.6	—	—	138.6	57.3	—	—	—	195.9
Provisions . . . . .	91.9	—	—	91.9	13.9	—	—	—	105.8
Other liabilities . . . . .	—	—	—	—	—	(2.4)(e)	—	—	(2.4)
<b>Total current liabilities . . . . .</b>	<b>1,911.5</b>	<b>38.8</b>	<b>(7.8)</b>	<b>1,942.5</b>	<b>513.9</b>	<b>1.4</b>	<b>(20.9)</b>	<b>194.1</b>	<b>2,631.0</b>
Non-current payables . . . . .	8.0	—	—	8.0	44.0	—	—	—	52.0
Borrowings . . . . .	12,547.6	—	—	12,547.6	2,794.6	(30.1)(d)	(1,839.6)(c)	3,654.5(d)	17,127.0
Deferred tax liabilities . . . . .	1,257.7	51.1	2.7(d)	1,311.5	36.5	2.4(e)	602.2(h)	—	1,952.6
Derivatives . . . . .	—	—	—	—	—	—	—	—	—
Employee benefits . . . . .	962.6	16.7	—	979.3	29.7	—	0.1(h)	—	1,009.1
Provisions . . . . .	100.4	0.1	—	100.5	26.3	—	3.7(h)	—	130.5
Other liabilities . . . . .	—	—	—	—	—	—	—	—	—
<b>Total non-current liabilities . . . . .</b>	<b>14,876.3</b>	<b>67.9</b>	<b>2.7</b>	<b>14,946.9</b>	<b>2,931.1</b>	<b>(27.7)</b>	<b>(1,233.6)</b>	<b>3,654.5</b>	<b>20,271.2</b>
<b>Total liabilities . . . . .</b>	<b>16,787.8</b>	<b>106.7</b>	<b>(5.1)</b>	<b>16,889.4</b>	<b>3,445.0</b>	<b>(26.3)</b>	<b>(1,254.5)</b>	<b>3,848.6</b>	<b>22,902.2</b>
<b>Net assets (liabilities) . . . . .</b>	<b>\$ 97.9</b>	<b>\$192.2</b>	<b>\$(192.2)</b>	<b>\$ 97.9</b>	<b>\$( 501.5)</b>	<b>\$ 6.8</b>	<b>\$ 480.5</b>	<b>\$ (44.1)</b>	<b>\$ 39.6</b>
Share capital . . . . .	\$ 1,695.0	\$182.8	\$(182.8)(b)	\$ 1,695.0	\$ 460.7	\$ 4.9(f)	\$ (465.6)(d)	\$ —	\$ 1,695.0
Reserves . . . . .	(1,313.8)	9.4	(9.4)(c)	(1,313.8)	(7.6)	(0.5)(f)	8.1(e)	—	(1,313.8)
Retained earnings (accumulated losses) . . . . .	(305.5)	—	—	(305.5)	(968.3)	2.4(f)(i)	951.7(f)	(44.1)(e)	(363.8)
<b>Equity attributable to the equity holder of the parent entity</b>									
Minority interests . . . . .	75.7	192.2	(192.2)	75.7	(515.2)	6.8(f)	494.2	(44.1)	17.4
Minority interests . . . . .	22.2	—	—	22.2	13.7	—	(13.7)	—	22.2
<b>Total equity (deficit) . . . . .</b>	<b>\$ 97.9</b>	<b>\$192.2</b>	<b>\$(192.2)</b>	<b>\$ 97.9</b>	<b>\$( 501.5)</b>	<b>\$ 6.8</b>	<b>\$ 480.5</b>	<b>\$ (44.1)</b>	<b>\$ 39.6</b>

## Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2010

	Adjustments for the Full Period Effect of the Financing Components of the Historical 2010 and		Adjustments to Historical Pactiv Results on Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition <sup>(4)</sup>		Adjustments to Historical Dopaco Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition <sup>(6)</sup>		Pro Forma RGHL Group <sup>(7)</sup>		The Graham Packaging Transaction			Pro Forma Combined Group <sup>(12)</sup>
	Historical RGHL Group <sup>(1)</sup>	2011 Financing Transactions <sup>(2)</sup>	Historical Pactiv Group <sup>(3)</sup>	for the Pactiv Acquisition <sup>(4)</sup>	Historical Dopaco <sup>(5)</sup>	for the Dopaco Acquisition <sup>(6)</sup>	Historical RGHL Group <sup>(7)</sup>	Historical Graham Packaging as Adjusted <sup>(8)</sup>	Adjustments to Historical Graham Packaging as Adjusted from US GAAP to IFRS <sup>(9)</sup>	Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition <sup>(10)</sup>	New Financing Arrangements <sup>(11)</sup>	
(In \$ millions)												
Revenue . . . . .	\$ 6,774.0	\$ —	\$ 3,172.1	\$ 2.2(a)(h)	\$ 456.2	\$(13.2)(e)	\$10,391.3	\$ 2,512.7	\$ —	\$ —	\$ —	\$ 12,904.0
Cost of sales . . . . .	(5,520.4)	—	(2,441.2)	14.1(a)(b)(g)(h)	(390.6)	13.2(e)	(8,324.9)	(2,076.3)	—	(29.5)(h)	—	(10,430.7)
<b>Gross profit . . . . .</b>	<b>1,253.6</b>	<b>—</b>	<b>730.9</b>	<b>16.3</b>	<b>65.6</b>	<b>—</b>	<b>2,066.4</b>	<b>436.4</b>	<b>—</b>	<b>(29.5)</b>	<b>—</b>	<b>2,473.3</b>
Other income . . . . .	102.1	—	2.0	—	0.4	—	104.5	0.4	—	—	—	104.9
Selling, marketing and distribution expenses . . . . .	(230.7)	—	(181.7)	—	(7.5)	—	(419.9)	(59.0)	—	—	—	(478.9)
General and administration expenses . . . . .	(389.9)	—	(241.0)	(10.6)(a)(c)(g)	(25.1)	—	(666.6)	(63.9)	0.8(h)	(41.3)(h)	—	(771.0)
Other expenses . . . . .	(80.0)	—	(29.5)	—	(7.2)	—	(116.7)	(79.8)	—	—	—	(196.5)
Share of profit of associates and joint ventures, net of income tax (equity method) . . . . .	18.1	—	1.0	(0.7)(a)	0.6	—	19.0	—	—	—	—	19.0
<b>Profit (loss) from operating activities . . . . .</b>	<b>673.2</b>	<b>—</b>	<b>281.7</b>	<b>5.0</b>	<b>26.8</b>	<b>—</b>	<b>986.7</b>	<b>234.1</b>	<b>0.8</b>	<b>(70.8)</b>	<b>—</b>	<b>1,150.8</b>
Financial income . . . . .	65.6	—	—	—	—	—	65.6	0.7	0.4(g)	—	—	66.7
Financial expenses . . . . .	(751.7)	(422.1)(a)(b)(c)	(86.3)	22.4(b)(d)(f)(i)	—	—	(1,237.7)	(223.7)	—	132.6(g)	(377.4)(f)	(1,706.2)
<b>Net financial expenses . . . . .</b>	<b>(686.1)</b>	<b>(422.1)</b>	<b>(86.3)</b>	<b>22.4</b>	<b>—</b>	<b>—</b>	<b>(1,172.1)</b>	<b>(223.0)</b>	<b>0.4</b>	<b>132.6</b>	<b>(377.4)</b>	<b>(1,639.5)</b>
<b>Profit/(loss) before income tax . . . . .</b>	<b>(12.9)</b>	<b>(422.1)</b>	<b>195.4</b>	<b>27.4</b>	<b>26.8</b>	<b>—</b>	<b>(185.4)</b>	<b>11.1</b>	<b>1.2</b>	<b>61.8</b>	<b>(377.4)</b>	<b>(488.7)</b>
Income tax benefit (expense) . . . . .	(80.0)	105.2(d)	(64.3)	(10.4)(e)	(0.7)	—	(50.2)	50.7	(0.5)(i)	(24.0)(i)	139.7(g)	115.7
<b>Profit (loss) from continuing operations . . . . .</b>	<b>\$ (92.9)</b>	<b>\$(316.9)</b>	<b>\$ 131.1</b>	<b>\$ 17.0</b>	<b>\$ 26.1</b>	<b>\$ —</b>	<b>\$( 235.6)</b>	<b>\$ 61.8</b>	<b>\$ 0.7</b>	<b>\$ 37.8</b>	<b>\$(237.7)</b>	<b>\$ (373.0)</b>

**Unaudited Pro Forma Combined Income Statement for the Three Months Ended March 31, 2010**

	Historical RGHL Group <sup>(1)</sup>	Adjustments for the Full Period Effect of the Financing Components of the Historical 2010 and 2011 Financing Transactions <sup>(2)</sup>	Historical Pactiv Group <sup>(3)</sup>	Adjustments to Historical Pactiv Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition <sup>(4)</sup>	Historical Dopaco <sup>(5)</sup>	Adjustments to Historical Dopaco Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition <sup>(6)</sup>	Pro Forma RGHL Group <sup>(7)</sup>	The Graham Packaging Transaction				Pro Forma Combined Group <sup>(12)</sup>	
								Historical Graham Packaging as Adjusted <sup>(8)</sup>	Adjustments to Historical Graham Packaging Results as Adjusted on Preliminary Conversion from US GAAP to IFRS <sup>(9)</sup>	Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition <sup>(10)</sup>	New Financing Arrangements <sup>(11)</sup>		
	(In \$ millions)												
Revenue . . . . .	\$ 1,407.6	\$ —	\$ 777.0	\$0.9(a)(h)	\$107.3	\$(2.5)(e)	\$ 2,290.3	\$ 585.6	\$ —	\$ —	\$ —	\$ —	\$ 2,875.9
Cost of sales . . . . .	(1,160.8)	—	(596.0)	1.5(a)(b)(g)(h)	(93.2)	2.5(e)	(1,846.0)	(483.3)	—	(11.1)(h)	—	—	(2,340.4)
<b>Gross profit . . . . .</b>	<b>246.8</b>	<b>—</b>	<b>181.0</b>	<b>2.4</b>	<b>14.1</b>	<b>—</b>	<b>444.3</b>	<b>102.3</b>	<b>—</b>	<b>(11.1)</b>	<b>—</b>	<b>—</b>	<b>535.5</b>
Other income . . . . .	34.5	—	—	—	0.2	—	34.7	—	—	—	—	—	34.7
Selling, marketing and distribution expenses . . . . .	(48.4)	—	(41.0)	—	(1.9)	—	(91.3)	(32.0)	—	—	—	—	(123.3)
General and administration expenses . . . . .	(95.4)	—	(38.0)	(2.5)(a)(c)(g)	(5.9)	—	(141.8)	(34.6)	0.2(h)	(10.7)(h)	—	—	(186.9)
Other expenses . . . . .	(12.2)	—	—	—	(0.1)	—	(12.3)	(7.5)	—	—	—	—	(19.8)
Share of profit of associates and joint ventures, net of income tax (equity method) . . . . .	4.5	—	—	(0.3)(a)	0.1	—	4.3	—	—	—	—	—	4.3
<b>Profit (loss) from operating activities . . . . .</b>	<b>129.8</b>	<b>—</b>	<b>102.0</b>	<b>(0.4)</b>	<b>6.5</b>	<b>—</b>	<b>237.9</b>	<b>28.2</b>	<b>0.2</b>	<b>(21.8)</b>	<b>—</b>	<b>—</b>	<b>244.5</b>
Financial income . . . . .	21.9	—	—	—	0.2	—	22.1	0.1	—	—	—	—	22.2
Financial expenses . . . . .	(152.9)	(163.2)(a)(b)(c)	(24.0)	5.9(b)(d)(f)(i)	—	—	(334.2)	(48.1)	—	30.0(g)	—	(94.3)(f)	(446.6)
<b>Net financial expenses . . . . .</b>	<b>(131.0)</b>	<b>(163.2)</b>	<b>(24.0)</b>	<b>5.9</b>	<b>0.2</b>	<b>—</b>	<b>(312.1)</b>	<b>(48.0)</b>	<b>—</b>	<b>30.0</b>	<b>—</b>	<b>(94.3)</b>	<b>(424.4)</b>
<b>Profit/(loss) before income tax . . . . .</b>	<b>(1.2)</b>	<b>(163.2)</b>	<b>78.0</b>	<b>5.5</b>	<b>6.7</b>	<b>—</b>	<b>(74.2)</b>	<b>(19.8)</b>	<b>0.2</b>	<b>8.2</b>	<b>(94.3)</b>	<b>—</b>	<b>(179.9)</b>
Income tax benefit (expense) . . . . .	(36.1)	33.8(d)	(30.0)	(2.1)(e)	(0.6)	—	(35.0)	(4.7)	(0.1)(i)	(3.2)(i)	34.9(g)	—	(8.1)
<b>Profit (loss) from continuing operations . . . . .</b>	<b>\$ (37.3)</b>	<b>\$(129.4)</b>	<b>\$ 48.0</b>	<b>\$ 3.4</b>	<b>\$ 6.1</b>	<b>\$ —</b>	<b>\$ (109.2)</b>	<b>\$ (24.5)</b>	<b>\$ 0.1</b>	<b>\$ 5.0</b>	<b>\$(59.4)</b>	<b>—</b>	<b>\$ (188.0)</b>



**Unaudited Pro Forma Combined Income Statement for the Three Months March 31, 2011**

	Adjustments to Historical Pactiv Results on Conversion from US GAAP to IFRS, Preliminary Fair Value and Other				Adjustments to Historical Dopaco Results on Conversion from US GAAP to IFRS, Preliminary Fair Value and Other			The Graham Packaging Transaction				
	Historical RGHL Group <sup>(1)</sup>	Adjustments for the Full Period Effect of the Financing Components of the Historical 2010 and 2011 Financing Transactions <sup>(2)</sup>	Historical Pactiv Group <sup>(3)</sup>	Adjustments for the Pactiv Acquisition <sup>(4)</sup>	Historical Dopaco <sup>(5)</sup>	Adjustments for the Dopaco Acquisition <sup>(6)</sup>	Pro Forma RGHL Group <sup>(7)</sup>	Historical Graham Packaging as Adjusted <sup>(8)</sup>	Adjustments to Historical Graham Packaging as Adjusted Results on Conversion from US GAAP to IFRS <sup>(9)</sup>	Preliminary Fair Value and Other Adjustments for the Graham Acquisition <sup>(10)</sup>	New Financing Arrangements <sup>(11)</sup>	Pro Forma Combined Group <sup>(12)</sup>
	(In \$ millions)											
Revenue . . . . .	\$ 2,367.5	\$ —	\$—	\$—	\$108.5	\$(2.8)(e)	\$ 2,473.2	\$ 756.5	\$ —	\$ —	\$ —	\$ 3,229.7
Cost of sales . . . . .	(1,917.5)	—	—	—	(95.2)	2.8(e)	(2,009.9)	(641.4)	—	1.0(h)	—	(2,650.3)
<b>Gross profit . . . . .</b>	<b>450.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13.3</b>	<b>—</b>	<b>463.3</b>	<b>115.1</b>	<b>—</b>	<b>1.0</b>	<b>—</b>	<b>579.4</b>
Other income . . . . .	22.6	—	—	—	0.2	—	22.8	0.6	—	—	—	23.4
Selling, marketing and distribution expenses . . . . .	(82.0)	—	—	—	(2.1)	—	(84.1)	(18.6)	—	—	—	(102.7)
General and administration expenses . . . . .	(146.6)	—	—	—	(9.0)	—	(155.6)	(20.1)	0.2(h)	(8.4)(h)	—	(183.9)
Other expenses . . . . .	(57.3)	—	—	—	—	—	(57.3)	(7.2)	—	—	—	(64.5)
Share of profit of associates and joint ventures, net of income tax (equity method) . . . . .	6.3	—	—	—	—	—	6.3	—	—	—	—	6.3
<b>Profit (loss) from operating activities . . . . .</b>	<b>193.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.4</b>	<b>—</b>	<b>195.4</b>	<b>69.8</b>	<b>0.2</b>	<b>(7.4)</b>	<b>—</b>	<b>258.0</b>
Financial income . . . . .	101.0	—	—	—	0.1	—	101.1	0.2	0.1(g)	—	—	101.4
Financial expenses . . . . .	(380.9)	89.4(a)(b)(c)	—	—	—	—	(291.5)	(52.9)	—	37.9(g)	(95.2)(f)	(401.7)
<b>Net financial expenses . . . . .</b>	<b>(279.9)</b>	<b>89.4</b>	<b>—</b>	<b>—</b>	<b>0.1</b>	<b>—</b>	<b>(190.4)</b>	<b>(52.7)</b>	<b>0.1</b>	<b>37.9</b>	<b>(95.2)</b>	<b>(300.3)</b>
<b>Profit/(loss) before income tax . . . . .</b>	<b>(86.9)</b>	<b>89.4</b>	<b>—</b>	<b>—</b>	<b>2.5</b>	<b>—</b>	<b>5.0</b>	<b>17.1</b>	<b>0.3</b>	<b>30.5</b>	<b>(95.2)</b>	<b>(42.3)</b>
Income tax benefit (expense) . . . . .	40.2	(33.1)(d)	—	—	(0.6)	—	6.5	(9.0)	(0.1)(i)	(11.8)(i)	35.2(g)	20.8
<b>Profit (loss) from continuing operations . . . . .</b>	<b>\$ (46.7)</b>	<b>\$ 56.3</b>	<b>\$—</b>	<b>\$—</b>	<b>\$ 1.9</b>	<b>\$ —</b>	<b>\$ 11.5</b>	<b>\$ 8.1</b>	<b>\$ 0.2</b>	<b>\$ 18.7</b>	<b>\$(60.0)</b>	<b>\$ (21.5)</b>

## Unaudited Pro Forma Combined Income Statement for the LTM Period

	Adjustments for the Full Year Effect of the Financing Components of the Historical 2010		Adjustments to Historical Pactiv Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Pactiv Acquisition <sup>(4)</sup>		Adjustments to Historical Dopaco Results on Preliminary Conversion from US GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition <sup>(6)</sup>		Adjustments to Historical Pro Forma RGHL Group <sup>(7)</sup>		The Graham Packaging Transaction			Pro Forma Combined Group <sup>(12)</sup>
	Historical RGHL Group <sup>(1)</sup>	and 2011 Financing Transactions <sup>(2)</sup>	Historical Pactiv Group <sup>(3)</sup>	for the Pactiv Acquisition <sup>(4)</sup>	Historical Dopaco <sup>(5)</sup>	for the Dopaco Acquisition <sup>(6)</sup>	Historical Pro Forma RGHL Group <sup>(7)</sup>	Historical Graham Packaging as Adjusted <sup>(8)</sup>	Adjustments to Historical Graham Packaging as Adjusted Results on Preliminary Conversion from US GAAP to IFRS <sup>(9)</sup>	Preliminary Fair Value and Other Adjustments for the Graham Acquisition <sup>(10)</sup>	New Financing Arrangements <sup>(11)</sup>	
(In \$ millions)												
Revenue . . . . .	\$ 7,733.9	\$ —	\$ 2,395.1	\$ 1.3	\$ 457.4	\$(13.5)	\$10,574.2	\$ 2,683.6	\$ —	\$ —	\$ —	\$ 13,257.8
Cost of sales . . . . .	(6,277.1)	—	(1,845.2)	12.6	(392.6)	13.5	(8,488.8)	(2,234.4)	—	(17.4)	—	(10,740.6)
Gross profit . . . . .	1,456.8	—	549.9	13.9	64.8	—	2,085.4	449.2	—	(17.4)	—	2,517.2
Other income . . . . .	90.2	—	2.0	—	0.4	—	92.6	1.0	—	—	—	93.6
Selling, marketing and distribution expenses . . . . .	(264.3)	—	(140.7)	—	(7.7)	—	(412.7)	(45.6)	—	—	—	(458.3)
General and administration expenses . . . . .	(441.1)	—	(203.0)	(8.1)	(28.2)	—	(680.4)	(49.4)	0.8	(39.0)	—	(768.0)
Other expenses . . . . .	(125.1)	—	(29.5)	—	(7.1)	—	(161.7)	(79.5)	—	—	—	(241.2)
Share of profit of associates and joint ventures, net of income tax (equity method) . . . . .	19.9	—	1.0	(0.4)	0.5	—	21.0	—	—	—	—	21.0
<b>Profit (loss) from operating activities . . . . .</b>	<b>736.4</b>	<b>—</b>	<b>179.7</b>	<b>5.4</b>	<b>22.7</b>	<b>—</b>	<b>944.2</b>	<b>275.7</b>	<b>0.8</b>	<b>(56.4)</b>	<b>—</b>	<b>1,164.3</b>
Financial income . . . . .	144.7	—	—	—	(0.1)	—	144.6	0.8	0.5	—	—	145.9
Financial expenses . . . . .	(979.7)	(169.5)	(62.3)	16.5	—	—	(1,195.0)	(228.5)	—	140.5	(378.3)	(1,661.3)
<b>Net financial expenses . . . . .</b>	<b>(835.0)</b>	<b>(169.5)</b>	<b>(62.3)</b>	<b>16.5</b>	<b>(0.1)</b>	<b>—</b>	<b>(1,050.4)</b>	<b>(227.7)</b>	<b>0.5</b>	<b>140.5</b>	<b>(378.3)</b>	<b>(1,515.4)</b>
<b>Profit/(loss) before income tax . . . . .</b>	<b>(98.6)</b>	<b>(169.5)</b>	<b>117.4</b>	<b>21.9</b>	<b>22.6</b>	<b>—</b>	<b>(106.2)</b>	<b>48.0</b>	<b>1.3</b>	<b>84.1</b>	<b>(378.3)</b>	<b>(351.1)</b>
Income tax benefit (expense) . . . . .	(3.7)	38.3	(34.3)	(8.3)	(0.7)	—	(8.7)	46.4	(0.5)	(32.6)	140.0	144.6
<b>Profit (loss) from continuing operations . . . . .</b>	<b>\$ (102.3)</b>	<b>\$(131.2)</b>	<b>\$ 83.1</b>	<b>\$13.6</b>	<b>\$ 21.9</b>	<b>\$ —</b>	<b>\$ (114.9)</b>	<b>\$ 94.4</b>	<b>\$ 0.8</b>	<b>\$ 51.5</b>	<b>\$(238.3)</b>	<b>\$ (206.5)</b>

## (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 March 31, 2011; and
- The audited historical income statement of the RGHL Group for the year ended December 31, 2010, and the unaudited historical income statements for the three months ended March 31, 2010 and 2011.

## (2) Adjustments for the Full Period Effect of the Financing Components of the Historical 2010 and 2011 Financing Transactions.

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

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
		(In \$ millions)	
Evergreen Transaction <sup>(a)</sup> . . . . .	\$ (85.4)	\$ (43.0)	\$ —
Pactiv Transaction <sup>(b)</sup> . . . . .	(348.5)	(122.2)	—
Refinancing Transactions <sup>(c)</sup> . . . . .	11.8	2.0	89.4
<b>Net adjustment to financial expenses</b> . . . . .	<b><u>\$(422.1)</u></b>	<b><u>\$(163.2)</u></b>	<b><u>\$89.4</u></b>

### (a) Evergreen Transaction

As part of the Evergreen Transaction, the RGHL Group (a) entered into an amendment to the Original Senior Secured Credit Facilities under which it incurred the Original Tranche C Term Loans, (b) issued the May 2010 Notes, (c) repaid certain then-existing indebtedness of Evergreen and (d) incurred certain fees and expenses.

The unaudited pro forma combined income statements include an adjustment to illustrate the impact of the financing components of the Evergreen Transaction as if it had been completed as of January 1, 2010, comprising:

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
		(In \$ millions)	
Interest expense on the May 2010 Notes <sup>(i)</sup> . . . . .	\$(29.3)	\$(22.0)	\$ —
Amortization of May 2010 Notes issuance costs <sup>(ii)</sup> . . . . .	(0.6)	(0.5)	—
Interest expense on the Original Tranche C Term Loans <sup>(iii)</sup> . . . . .	(15.3)	(11.5)	—
Amortization of the Original Tranche C Term Loans original issue discount and issuance costs <sup>(iv)</sup> . . . . .	(0.2)	(0.2)	—
Adjustment for interest expense of credit facilities repaid in connection with the Evergreen Transaction <sup>(v)</sup> . . . . .	8.3	6.3	—
Foreign exchange gains (losses) on the May 2010 Notes and related intercompany loans <sup>(vi)</sup> . . . . .	(52.5)	(27.9)	—
Removal of foreign exchange (gains) losses on the CHH Senior Credit Facilities <sup>(vii)</sup> . . . . .	4.2	12.8	—
<b>Net adjustment to give full period effect to financial expenses</b> . . . . .	<b><u>\$(85.4)</u></b>	<b><u>\$(43.0)</u></b>	<b><u>\$ —</u></b>

- (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 the aggregate \$32.9 million of debt issuance costs associated 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 6.25% based on an adjusted LIBOR floor of 1.75% and a margin of 4.75% on the \$800.0 million Original Tranche C Term Loans borrowed as part of the Evergreen Transaction. LIBOR did not exceed the LIBOR floor during the term of the Original Tranche C Term Loans. As noted in note (c) below, this debt was repaid in February 2011.
- (iv) Reflects the incremental non-cash amortization on the aggregate \$2.0 million of original issue discount and the aggregate \$23.3 million of debt issuance costs arising from the \$800.0 million Original Tranche C Term Loans borrowed as part of the Evergreen Transaction.
- (v) Represents the reversal of historical interest expense and amortization of deferred debt issuance costs for certain facilities that were repaid or extinguished in connection with the Evergreen Transaction. These facilities included the CHH Senior Credit Facilities which is further described below.
- (vi) The May 2010 Notes 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. 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.
- (vii) CHH Senior Credit Facilities refers to certain senior credit facilities that were drawn by Evergreen Packaging Inc. and Evergreen Packaging Canada Limited, which became wholly-owned subsidiaries of the RGHL Group as part of the Evergreen Transaction. At the time of the Evergreen Transaction, Evergreen Packaging Inc. issued equity to settle its and Evergreen Packaging Canada Limited's liabilities under the CHH Senior Credit Facilities. The facilities were denominated in dollars, NZ dollars and Canadian dollars. Evergreen Packaging Inc. maintains its accounting records in dollars and recognized foreign exchange gains (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.

**(b) Pactiv Transaction**

As part of the Pactiv Transaction, the RGHL Group (a) entered into an amendment to the Original Senior Secured Credit Facilities under which it incurred the Original Tranche A Term Loans and the Original Tranche D Terms Loans in November 2010, (b) issued the October 2010 Notes and (c) incurred certain fees and expenses.

The unaudited pro forma combined income statements include the net adjustment to financial expenses as if the Pactiv Transaction had been completed as of January 1, 2010, comprising:

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Interest expense on the October 2010 Senior Secured Notes <sup>(i)</sup> . . . . .	\$ (84.6)	\$ (26.7)	\$ —
Interest expense on the October 2010 Senior Notes <sup>(ii)</sup> . . . . .	(106.9)	(33.8)	—
Amortization of October 2010 Notes issuance costs <sup>(iii)</sup> . . . . .	<u>(6.1)</u>	<u>(1.9)</u>	<u>—</u>
<b>Additional interest expense on the October 2010 Notes . .</b>	<b>(197.6)</b>	<b>(62.4)</b>	<b>—</b>
Interest expense on the Original Tranche A Term Loans and Original Tranche D Term Loans <sup>(iv)</sup> . . . . .	(113.8)	(32.5)	—
Amortization of the Original Tranche A Term Loans and Original Tranche D Term Loans issuance costs <sup>(v)</sup> . . . . .	(10.0)	(2.9)	—
Incremental interest expense on the Original U.S. Term Loans, the Original European Term Loans and the Original Tranche C Term Loans as a result of the amendment request <sup>(vi)</sup> . . . . .	(8.7)	(2.7)	—
Foreign exchange (gains) losses on the new indebtedness and new intercompany loans <sup>(vii)</sup> . . . . .	<u>(18.4)</u>	<u>(21.7)</u>	<u>—</u>
<b>Net adjustment to financial expense . . . . .</b>	<b><u><u>\$(348.5)</u></u></b>	<b><u><u>\$(122.2)</u></u></b>	<b><u><u>\$ —</u></u></b>

- (i) Reflects the incremental cash interest expense of 7.125% on the \$1,500.0 million principal amount of the October 2010 Senior Secured Notes.
- (ii) Reflects the incremental cash interest expense of 9.000% on the \$1,500.0 million principal amount of the October 2010 Senior Notes.
- (iii) Reflects the non-cash amortization expense on the aggregate \$86.4 million of debt issuance costs associated with the October 2010 Notes. This non-cash expense has been calculated using the effective interest rate method.
- (iv) Reflects the incremental cash interest expense of 6.25% and 6.5% for the Original Tranche A Term Loans and the Original Tranche D Term Loans, respectively (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). LIBOR did not exceed the LIBOR floor during the terms of the Original Tranche A Term Loans and Original Tranche C Term Loans. As noted in note (c) below, this debt was repaid in February 2011.
- (v) Reflects the non-cash amortization expense on the aggregate \$22.0 million of original issue discount and the aggregate \$40.8 million of debt issuance costs associated with the Original Tranche A Term Loans and the Original Tranche D Term Loans. This non-cash expense has been calculated using the effective interest rate method.
- (vi) Reflects the incremental interest arising on the Original U.S. Term Loans, the Original European Term Loans and the Original Tranche C Term Loans as a result of the amendment to the related credit agreement permitting the RGHL Group to incur the Original Tranche A Term Loans and the Original Tranche D Term Loans. Under the terms of the amendment, the interest on each existing term loan under the Original Senior Secured Credit Facilities was increased by 0.5%. This additional interest was incremental to the interest incurred on the Original Tranche A Term Loans and the Original Tranche D Term Loans.
- (vii) The October 2010 Notes are denominated in dollars. The Lux Issuer issued \$725.0 million of the October 2010 Senior 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 arose

from the on-lending of a portion of the proceeds from the issuance of the October 2010 Notes. These loans are in a currency other than the currency in which the 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.

### (c) Refinancing Transactions

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

The unaudited pro forma combined income statements include the adjustments to illustrate the Refinancing Transactions as if they had been completed as of January 1, 2010 comprising:

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
		(In \$ millions)	
Interest expense on the February 2011 Senior Secured Notes <sup>(i)</sup> . . . . .	\$ (68.8)	\$(17.2)	\$ (5.8)
Interest expense on the February 2011 Senior Notes <sup>(ii)</sup> . . . . .	(82.5)	(20.6)	(6.9)
Amortization of the February 2011 Notes issuance costs <sup>(iii)</sup> . . . . .	<u>(2.3)</u>	<u>(0.6)</u>	<u>(0.1)</u>
Total interest expense on the February 2011 Notes . . . . .	<u>(153.6)</u>	<u>(38.4)</u>	<u>(12.8)</u>
Interest expense on the Senior Secured Credit Facilities (Dollar) <sup>(iv)</sup> . . . . .	(98.8)	(24.7)	(10.7)
Interest expense on the Senior Secured Credit Facilities (Euro) <sup>(iv)</sup> . . . . .	(17.7)	(4.4)	(1.9)
Amortization of the Senior Secured Credit Facilities issuance costs <sup>(v)</sup> . . . . .	<u>(2.4)</u>	<u>(0.6)</u>	<u>(0.2)</u>
Total interest expense on the Senior Secured Credit Facilities . . . . .	<u>(118.9)</u>	<u>(29.7)</u>	<u>(12.8)</u>
Adjustment for interest expense and unamortized debt issuance costs on the Original Senior Secured Credit Facilities repaid <sup>(vi)</sup> . . . . .	264.1	65.6	29.0
Adjustment for amortization of original issue discount and issuance costs on the Original Senior Secured Credit Facilities repaid <sup>(vi)</sup> . . . . .	<u>20.2</u>	<u>4.5</u>	<u>86.0</u>
<b>Net adjustment to financial expenses</b> . . . . .	<b><u>\$ 11.8</u></b>	<b><u>\$ 2.0</u></b>	<b><u>\$ 89.4</u></b>

- (i) Reflects the incremental cash interest expense of 6.875% on the \$1,000.0 million principal amount of the February 2011 Senior Secured Notes.
- (ii) Reflects the incremental cash interest expense of 8.250% on the \$1,000.0 million principal amount of the February 2011 Senior Notes.
- (iii) Reflects the non-cash amortization expense on the aggregate \$34.4 million of debt issuance costs associated with the February 2011 Notes. This non-cash expense has been calculated using the effective interest rate method.

- (iv) Reflects the incremental cash interest expense of 4.25% and 5.00% for the USD and Euro tranches of the Senior Secured Credit Facilities, respectively, based on an adjusted LIBOR floor of 1.75% and a margin of 3.25%, and on an adjusted LIBOR floor of 1.5% and a margin of 3.50%, respectively.
- (v) Reflects the non-cash amortization expense on the aggregate \$16.9 million of debt issuance costs associated with the Senior Secured Credit Facilities. This non-cash expense has been calculated using the effective interest rate method.
- (vi) Reflects the adjustment for interest expense and non-cash amortization expenses with respect to the debt issuance costs and original issue discount associated with the Original Senior Secured Credit Facilities repaid as part of the Refinancing Transactions.

**(d) Income Tax Benefit (Expense)**

Represents the net adjustment to income tax benefit (expense) as if the financing components of the Evergreen Transaction, the Pactiv Transaction and the Refinancing Transactions had been completed as of January 1, 2010. The tax expense has been calculated using respective local statutory tax rates which range from 28% to 37%. A portion of the tax adjustment arising from the net adjustment to financial expenses has not been recognized as this potential tax benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

**(3) Historical Pactiv Financial Information**

The historical financial information is derived from Pactiv's unaudited accounting records for the period from January 1, 2010 to November 15, 2010, which incorporates the unaudited consolidated financial statements for the three and nine month periods ended September 30, 2010 and Pactiv's interim unaudited consolidated financial statements for the three month period ended March 31, 2010, which are not included elsewhere in this information statement.

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 income statement have been reclassified.

The following reclassifications have been made in the income statement for the period from January 1, 2010 to November 15, 2010:

- "Depreciation and amortization" expenses of \$183.0 million as reported by Pactiv on the face of the income statement have been reclassified into "Cost of sales" (\$134.0 million), "General and administration expenses" (\$35.0 million) and "Other expenses" (\$14.0 million) based on the use of the assets to which the depreciation and amortization charges relate; and
- "Selling, general and administrative" expenses of \$387.0 million as reported by Pactiv on the face of the income statement have been reclassified into "Selling, marketing and distribution expenses" (\$146.0 million) and "General and administration expenses" (\$241.0 million) based on the nature of the expenses.

The following reclassifications have been made in the income statement for the three month period ended March 31, 2010:

- "Depreciation and amortization" expenses of \$46.0 million as reported by Pactiv on the face of the income statement have been reclassified into "Cost of sales" (\$36.0 million) and "General and administration expenses" (\$10.0 million) based on the use of the assets to which the depreciation and amortization charges relate; and
- "Selling, general and administrative" expenses of \$69.0 million as reported by Pactiv on the face of the income statement have been reclassified into "Selling, marketing and distribution expenses" (\$31.0 million) and "General and administration expenses" (\$38.0 million) based on the nature of the expenses.

**(4) Adjustments to Historical Pactiv Balances and Results on Preliminary Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Pactiv Transaction**

The following table presents the impact on income from continuing operations as historically reported by Pactiv resulting from the preliminary conversion from U.S. GAAP to IFRS, the preliminary fair value impact of purchase price accounting and other adjustments associated with the Pactiv Transaction:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
<b><i>Net adjustments for the preliminary conversion from U.S. GAAP to IFRS</i></b>			
Consolidation of controlled entity <sup>(a)</sup> . . . . .	\$ 1.2	\$ 0.3	\$—
Lease classification <sup>(b)</sup> . . . . .	—	—	—
Employee benefits <sup>(c)</sup> . . . . .	1.6	0.9	—
Derivative financial instruments <sup>(d)</sup> . . . . .	(0.9)	(0.3)	—
Income tax expense <sup>(e)</sup> . . . . .	<u>(1.0)</u>	<u>(0.3)</u>	<u>—</u>
Net change to profit from continuing operations due to preliminary conversion from U.S. GAAP to IFRS adjustments . . . . .	<u>0.9</u>	<u>0.6</u>	<u>—</u>
<b><i>Net adjustments for the preliminary fair value impact of the Pactiv Transaction</i></b>			
Amortization of fair value adjustment to existing Pactiv borrowings <sup>(f)</sup> . . . . .	8.4	2.3	—
Fair value adjustments to historical depreciation and amortization <sup>(g)</sup> . . . . .	1.5	(1.8)	—
Income tax expense <sup>(e)</sup> . . . . .	<u>(3.6)</u>	<u>(0.2)</u>	<u>—</u>
Net change to profit from continuing operations due to preliminary fair value adjustments . . . . .	<u>6.3</u>	<u>0.3</u>	<u>—</u>
<b><i>Other net adjustments associated with the Pactiv Transaction</i></b>			
Elimination of historical intercompany sales and cost of sales <sup>(h)</sup> . . . . .	—	—	—
Elimination of historical interest on certain Pactiv external borrowings <sup>(i)</sup> . . . . .	15.6	4.1	—
Income tax expense <sup>(e)</sup> . . . . .	<u>(5.8)</u>	<u>(1.6)</u>	<u>—</u>
Net change to profit from continuing operations due to other adjustments . . . . .	<u>9.8</u>	<u>2.5</u>	<u>—</u>
<b>Total net adjustment due to the preliminary conversion from U.S. GAAP to IFRS, preliminary fair value and other adjustments for the Pactiv Acquisition . . . . .</b>	<b><u>\$17.0</u></b>	<b><u>\$ 3.4</u></b>	<b><u>\$—</u></b>

**Adjustments to the 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 income statement data for the period from January 1, 2010 to November 15, 2010 and for the three month period ended March 31, 2010 have been adjusted to IFRS on a preliminary basis by applying, in all material respects, the accounting policies of the RGHL Group as of January 1, 2010. In converting this data, management has made adjustments to amounts previously reported in its financial information 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 material adjustments to Pactiv's financial information necessary to present the income statement information 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:

(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 in which Pactiv had a non-controlling interest was not consolidated in Pactiv's financial results under U.S. GAAP. However, under IFRS Pactiv is deemed to have control of this entity, and the entity is consolidated. The net adjustment to profit from continuing operations as a result of consolidating this entity is an increase in profit from continuing operations of \$1.2 million for the period from January 1, 2010 to November 15, 2010 and an increase of \$0.3 million for the three month period ended March 31, 2010. The following table provides details of the components of this net adjustment:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Revenue . . . . .	\$ 25.8	\$ 7.1	\$ —
Cost of sales . . . . .	(22.4)	(6.2)	—
General and administration expenses . . . . .	(1.5)	(0.3)	—
Share of profit of joint ventures, net of income tax (equity method) . . . . .	<u>(0.7)</u>	<u>(0.3)</u>	<u>—</u>
<b>Net adjustment to profit from continuing operations . . . . .</b>	<b><u>\$ 1.2</u></b>	<b><u>\$ 0.3</u></b>	<b><u>\$ —</u></b>

(b) 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 under U.S. GAAP and 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 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 Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Cost of sales — reversal of lease expense . . . . .	\$ 1.6	\$ 0.4	\$ —
Cost of sales — recognition of depreciation expense . . . . .	<u>(0.9)</u>	<u>(0.2)</u>	<u>—</u>
Cost of sales — net impact . . . . .	0.7	0.2	—
Finance expense — interest on liability for future lease payments . . . . .	<u>(0.7)</u>	<u>(0.2)</u>	<u>—</u>
<b>Net adjustment to profit from continuing operations . . . . .</b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>

(c) Employee benefits

A number of Pactiv's defined benefit pension plans 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 Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Reversal of unrecognized net actuarial loss . . . . .	\$(64.5)	\$(19.1)	\$ —
Adjustment to expected return on plan assets . . . . .	<u>66.1</u>	<u>20.0</u>	<u>—</u>
Net adjustment to pension expense . . . . .	<u>1.6</u>	<u>0.9</u>	<u>—</u>
Recognized as:			
Decrease to general and administration expenses . . . . .	<u>1.6</u>	<u>0.9</u>	<u>—</u>
<b>Net adjustment to profit from continuing operations . . . . .</b>	<b><u>\$ 1.6</u></b>	<b><u>\$ 0.9</u></b>	<b><u>\$ —</u></b>

(d) 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 \$0.9 million and \$0.3 million for the period from January 1, 2010 to November 15, 2010 and the three months ended March 31, 2010, respectively.

(e) Represents the adjustment to income tax expense in the pro forma income statement to reflect the tax effect of the U.S. GAAP to IFRS, fair value and other adjustments at a statutory rate of 37%.

**Preliminary Fair Value for the Pactiv Transaction**

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

The RGHL Group audited financial statements as of December 31, 2010 and the RGHL Group interim unaudited condensed financial statements as of March 31, 2011, include the effects of the preliminary allocation of the purchase price. In accordance with IFRS, we are in the process of reviewing and finalizing the preliminary fair values. This process will be completed no later than November 15, 2011. The final purchase price allocation may be different than that reflected in the RGHL Group audited financial statements as of December 31, 2010 or the RGHL Group interim unaudited condensed financial statement as of March 31, 2011, and those differences may be material.

The following adjustments reflect the impact on the historical Pactiv income statements resulting from the preliminary fair value adjustments arising as a result of the acquisition of Pactiv by the RGHL Group.

- (f) Represents the adjustment to net financial expenses arising as a result of the fair value adjustments recognized for the indebtedness assumed as part of the Pactiv Transaction, as if the Pactiv Transaction had been completed as of January 1, 2010, comprising:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
(In \$ millions)			
Amortization of fair value adjustment to existing Pactiv borrowings <sup>(i)</sup> . . . . .	\$8.4	\$2.3	\$—
<b>Net adjustment to financial expenses.</b> . . . . .	<b>\$8.4</b>	<b>\$2.3</b>	<b>\$—</b>

- (i) Represents the annualized amortization credit in respect of the fair value adjustment to the existing Pactiv borrowings that remain outstanding following the Pactiv Transaction.
- (g) Represents the income statement impact of the fair value adjustments for property, plant and equipment and finite life intangible assets as part of the acquisition of Pactiv by the RGHL Group.

For the purpose of the pro forma income statement, depreciation has been calculated based on the estimated 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 \$11.0 million for the period January 1 to November 15, 2010 and \$2.8 million for the three month period ended March 31, 2010. A decrease of one year would increase depreciation expense by \$13.8 million in the year ended December 31, 2010 and \$3.5 million for the three month period ended March 31, 2010.

For the purpose of the pro forma income statement, amortization has been calculated based on the estimated average useful lives of the finite 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 \$5.0 million for the period January 1 to November 15, 2010 and \$1.3 million for the three month period ended March 31, 2010. A decrease of one year would increase amortization expense by \$4.9 million in the year ended December 31, 2010 and \$1.2 million for the three month period ended March 31, 2010.

Pactiv's historical depreciation and amortization charge has been adjusted in the pro forma income statement based on the preliminary estimated fair values of \$1,433.7 million associated with property, plant and equipment and \$1,356.4 million associated with intangible assets with finite lives. To recognize the impact of the transaction as if it had been completed as of January 1, 2010, depreciation expense would decrease and amortization expense would increase in the pro forma combined income statements for the period January 1 to November 15, 2010, and for the three month periods ended March 31, 2010 and 2011, as follows:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
(In \$ millions)			
Amortization of intangible assets (excluding goodwill) . . . . .	\$(43.4)	\$(12.9)	\$ —
Depreciation of property, plant and equipment . . . . .	44.9	11.1	—
<b>Total</b> . . . . .	<b>\$ 1.5</b>	<b>\$ (1.8)</b>	<b>\$ —</b>
Recognized in:			
Cost of sales . . . . .	\$ 12.2	\$ 1.3	—
General and administration expenses . . . . .	(10.7)	(3.1)	—
<b>Total</b> . . . . .	<b>\$ 1.5</b>	<b>\$ (1.8)</b>	<b>\$ —</b>

## Other adjustments for the Pactiv Transaction

The following other adjustments reflect the impact on the historical Pactiv income statements resulting from the elimination of historical intercompany sales and cost of sales between the RGHL Group and Pactiv and the repayment of certain of Pactiv's external borrowings, which occurred in connection with the Pactiv Transaction.

- (h) Represents the elimination of historical intercompany sales and cost of sales between the RGHL Group and Pactiv for the period from January 1, 2010 to November 15, 2010 and the three month period ended March 31, 2010, calculated as follows:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Revenue . . . . .	\$(23.6)	\$(6.2)	\$ —
Cost of sales . . . . .	<u>23.6</u>	<u>6.2</u>	<u>—</u>
<b>Gross profit</b> . . . . .	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

- (i) Represents the adjustment to net financial expenses for the Pactiv historical indebtedness that was repaid as a component of the Pactiv Transaction, as if the Pactiv Transaction had been completed as of January 1, 2010, comprising:

	For the Period January 1 to November 15, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Elimination of the historical interest on repaid Pactiv external borrowings . . . . .	<u>\$15.6</u>	<u>\$4.1</u>	<u>\$ —</u>
<b>Net adjustment to financial expenses</b> . . . . .	<u><b>\$15.6</b></u>	<u><b>\$4.1</b></u>	<u><b>\$ —</b></u>

## (5) Historical Dopaco financial information

The historical financial information of Dopaco is derived from the audited historical combined financial statements of Dopaco as of and for the year ended December 26, 2010, and the unaudited combined financial statements of Dopaco as of and for the three months ended March 28, 2010 and March 27, 2011. The historical financial information extracted from the combined financial statements of Dopaco is prepared in accordance with U.S. GAAP. For the purpose of presenting the historical information of Dopaco in a reporting format that is consistent with that of the RGHL Group, certain components of Dopaco's interim combined balance sheet and combined statement of earnings have been reclassified.

The following reclassifications have been made in the interim combined balance sheet as of March 27, 2011:

- The balance of "Investments in significantly influenced company" of \$2.0 million has been reclassified to "Investments in associates and joint ventures (equity method)";
- The balance of "Customer relationships and client lists" of \$15.8 million has been reclassified to "Intangible assets";
- The balance of "Goodwill" of \$20.2 million has been reclassified to "Intangible assets";
- Non-current pension liability of \$16.7 million has been reclassified from "Non-current other liabilities" to "Non-current employee benefits";
- Non-current asset retirement obligations of \$0.1 million has been reclassified from "Non-current other liabilities" to "Non-current provisions"; and
- The balance of "Owner's net investment" of \$182.8 million has been reclassified to "Share capital".

The following reclassifications have been made in the combined statement of earnings for the year ended December 26, 2010:

- The balance of “Foreign exchange gain (loss)” of \$0.4 million has been reclassified to “Other income”;
- “Selling and administrative expenses” of \$32.6 million as reported by Dopaco on the face of the income statement have been reclassified to “Selling, marketing and distribution expenses” (\$7.5 million) and “General and administration expenses” (\$25.1 million) based on the nature of the expenses; and
- “Share of results of significantly influenced company” of \$0.6 million has been reclassified to “Share of profit of associates and joint ventures, net of income tax (equity method)”.

The following reclassifications have been made in the combined statement of earnings for the three month period ended March 28, 2010:

- The balance of “Interest income” of \$0.2 million has been reclassified to “Financial income”;
- The balance of “Realized foreign currency exchange gain” of \$0.2 million has been reclassified to “Other income”;
- “Selling and administrative expenses” of \$7.8 million as reported by Dopaco on the face of the income statement have been reclassified to “Selling, marketing and distribution expenses” (\$1.9 million) and “General and administration expenses” (\$5.9 million) based on the nature of the expenses; and
- “Share of results of significantly influenced company” of \$0.1 million has been reclassified to “Share of profit of associates and joint ventures, net of income tax (equity method)”.

The following reclassifications have been made in the combined statement of earnings for the three month period ended March 27, 2011:

- The balance of “Interest income” of \$0.1 million has been reclassified to “Financial income”;
- The balance of “Realized foreign currency exchange gain” of \$0.2 million has been reclassified to “Other income”; and
- “Selling and administrative expenses” of \$11.1 million as reported by Dopaco on the face of the income statement have been reclassified to “Selling, marketing and distribution expenses” (\$2.1 million) and “General and administration expenses” (\$9.0 million) based on the nature of the expenses.

**(6) Adjustments to Historical Dopaco Balances and Results on Preliminary Conversion from U.S. GAAP to IFRS and Preliminary Fair Value and Other Adjustments for the Dopaco Acquisition**

**Adjustments to Historical Dopaco Balances and Results on Preliminary Conversion from U.S. GAAP to IFRS**

The historical financial information extracted from the unaudited interim combined balance sheet as of March 27, 2011, the audited combined statement of earnings for the year ended December 26, 2010 and the unaudited interim combined statement of earnings for the three month periods ended March 27, 2011 and March 28, 2010, were prepared in accordance with U.S. GAAP. Based on our analysis to date, we have not identified any material differences between U.S. GAAP and IFRS for Dopaco’s financial information for any of the periods presented. We have not attempted to quantify all of the differences that would have been identified if the complete historical combined Dopaco financial statements had been prepared in accordance with IFRS. Accordingly, we cannot assure you that all the differences have been identified that would result if a full exercise been undertaken. Had we undertaken a complete conversion to IFRS, 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 extracted financial information presentation is consistent with the RGHL Group’s financial statements.

## Preliminary Fair Value Adjustments for the Dopaco Acquisition

The Dopaco Acquisition is an acquisition of a business by third parties accounted for under the purchase method of accounting. Accordingly, IFRS requires that the RGHL Group record the identifiable assets acquired and liabilities assumed as part of the acquisition at their respective fair values. Goodwill is then recognized and measured with reference to the excess of the consideration transferred over the net assets acquired and liabilities assumed measured at their fair values.

The Dopaco Acquisition closed on May 2, 2011. We have commenced the process to determine the fair value of the assets acquired and liabilities assumed associated with the Dopaco Acquisition, however, as a result of the limited period of time between the closing of the Dopaco Acquisition, the completion of the Dopaco audited combined financial statements for the period ended May 2, 2011 and the date of this information statement, no preliminary fair value adjustments have been determined.

The procedures performed to date do not include preparation of a full assessment of all of the fair value adjustments required to complete a preliminary allocation of the purchase price, the final results of which may differ materially from the information presented. With respect to inventory, property, plant and equipment and identifiable intangible assets, our analysis to assign preliminary fair market values has commenced as of the date of this information statement. As these procedures have only recently commenced, inventory, property, plant and equipment and identifiable intangible assets are reported at their historical values with the excess of the purchase price over the carrying value of assets acquired and liabilities assumed recognized as goodwill in this unaudited pro forma combined financial information. As such, the unaudited pro forma combined financial information does not include pro forma adjustments that give effect to increases in cost of goods sold that may result from changes to the carrying values of inventory and property, plant and equipment, nor does it include pro forma adjustments that give effect to increases in depreciation expense that may result from changes to the carrying values of property, plant and equipment or changes in depreciable lives. Additionally, the unaudited pro forma combined financial information does not include pro forma adjustments that give effect to increases in amortization expense of identifiable intangible assets that may result from the amortization of the fair market values that will be assigned to identifiable intangible assets, and any such adjustments may differ materially from the information presented herein.

As a result of the above, for the purposes of the pro forma balance sheet as of March 31, 2011, the difference between the consideration paid and net assets acquired is recognized in goodwill. This adjustment to the pro forma balance sheet for the Dopaco Acquisition is comprised of:

(a) Represents the \$398.1 million purchase consideration for Dopaco, which is subject to certain customary post-closing adjustments for net debt and working capital.

(b) Represents the adjustment to share capital, comprising:

	<u>(In \$ millions)</u>
Elimination of Dopaco U.S. GAAP pre-acquisition share capital .....	\$(182.8)
<b>Adjustment to share capital</b> .....	<b><u>\$(182.8)</u></b>

(c) Represents the net adjustment to reserves, comprising:

	<u>(In \$ millions)</u>
Elimination of Dopaco pre-acquisition reserves .....	\$(9.4)
<b>Adjustment to reserves</b> .....	<b><u>\$(9.4)</u></b>

(d) Represents the net adjustment to record preliminary goodwill:

	<u>(In \$ millions)</u>
Cost of acquisition <sup>(i)</sup> . . . . .	<b>\$398.1</b>
Less the estimated book value of assets acquired and liabilities assumed:	
Historical U.S. GAAP book value of assets acquired and liabilities assumed <sup>(ii)</sup> . . . . .	192.2
Less Dopaco's existing U.S. GAAP goodwill <sup>(ii)</sup> . . . . .	(20.2)
RGHL share of the IFRS book value of identifiable assets acquired and liabilities assumed . .	<u>172.0</u>
Cost of acquisition in excess of book value of identifiable assets acquired and liabilities assumed . . . . .	226.1
<b>Preliminary other adjustments</b>	
Legal liabilities not assumed <sup>(iii)</sup> . . . . .	7.2
Deferred tax liability <sup>(iv)</sup> . . . . .	<u>(2.7)</u>
Less preliminary other adjustments to the identifiable assets acquired and liabilities assumed . . . . .	<u>4.5</u>
<b>Preliminary goodwill arising from the Dopaco Acquisition</b> . . . . .	221.6
Less Dopaco's existing U.S. GAAP goodwill <sup>(ii)</sup> . . . . .	<u>(20.2)</u>
<b>Adjustment to goodwill</b> . . . . .	<b><u><u>\$201.4</u></u></b>

- (i) Represents the cash purchase consideration paid for the Dopaco Acquisition.
- (ii) As per Dopaco's unaudited interim combined balance sheet as of March 27, 2011.
- (iii) Represents certain liabilities reported in Dopaco's combined balance sheet that are not assumed by the RGHL Group under the Dopaco sales and purchase agreement.
- (iv) Reflects the tax effect of the above preliminary other adjustments determined using a statutory tax rate of 37%.

**Preliminary Other Adjustments for the Dopaco Acquisition**

The following other adjustments reflect the impact on the historical Dopaco balance sheet as of March 31, 2011 and the pro forma income statements for the three month periods ended March 31, 2010 and 2011 and the year ended December 31, 2010 resulting from (i) the elimination of the historical intercompany sales, cost of sales and associated trade receivables and trade payables between the RGHL Group and Dopaco, (ii) the reclassification to assets held for sale of an investment that was sold subsequent to the consummation of the Dopaco Acquisition and (iii) the elimination of certain legal liabilities that were not assumed as part of the Dopaco Acquisition.

(e) Represents the elimination of historical intercompany sales and cost of sales between the RGHL Group and Dopaco, as follows:

	<b>For the Year Ended December 31, 2010</b>	<b>For the Three Months Ended March 31,</b>	
	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>(In \$ millions)</u>		
Revenue . . . . .	\$(13.2)	\$(2.5)	\$(2.8)
Cost of sales . . . . .	<u>13.2</u>	<u>2.5</u>	<u>2.8</u>
<b>Gross profit</b> . . . . .	<b><u><u>\$ —</u></u></b>	<b><u><u>\$ —</u></u></b>	<b><u><u>\$ —</u></u></b>

(f) Represents the elimination of the trade receivables and trade payables between the RGHL Group and Dopaco as of March 31, 2011, calculated as follows:

	<u>(In \$ millions)</u>
Trade and other receivables . . . . .	\$ 0.6
Trade and other payables . . . . .	<u>(0.6)</u>
<b>Net Adjustment</b> . . . . .	<u><u>\$ —</u></u>

(g) Represents a reclassification to assets held for sale of Dopaco’s investment in a joint venture that was sold subsequent to the completion of the Dopaco acquisition:

	<u>(In \$ millions)</u>
Assets held for sale . . . . .	\$ 2.0
Investments in associates and joint ventures (equity method) . . . . .	<u>(2.0)</u>
<b>Net Adjustment</b> . . . . .	<u><u>\$ —</u></u>

(h) Represents the adjustment for certain legal liabilities that were not assumed by the RGHL Group under the Dopaco sales and purchase agreement:

	<u>(In \$ millions)</u>
Elimination of the legal liabilities not assumed . . . . .	<u>\$(7.2)</u>
<b>Adjustment to trade and other payables</b> . . . . .	<u><u>\$(7.2)</u></u>

**(7) Pro Forma RGHL Group**

Represents the historical RGHL Group adjusted for the full period impact of the financing components of both the Evergreen Transaction and the Pactiv Transaction and of the Refinancing Transactions (as described in 2 above), the Pactiv Transaction (as described in 3 and 4 above) and the Dopaco Acquisition (as described in 5 and 6 above).

**(8) Historical Graham Packaging financial information**

The historical financial information is derived from:

- the condensed consolidated balance sheet of Graham Packaging as of March 31, 2011; and
- the audited historical consolidated statement of operations of Graham Packaging for the year ended December 31, 2010 and the condensed consolidated statements of operations for the three month periods ended March 31, 2010 and 2011.

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

The following reclassifications have been made in the consolidated balance sheet as of March 31, 2011:

- Current — other assets of \$6.6 million have been reclassified from “Prepaid expenses and other current assets” to “Assets held for sale”;
- Other current receivables of \$13.5 million have been reclassified from “Prepaid expenses and other current assets” to “Trade and other receivables”;
- Current tax assets of \$3.3 million have been reclassified from “Prepaid expenses and other current assets” to “Current tax assets”;
- Derivative assets of \$0.1 million have been reclassified from “Prepaid expenses and other current assets” to “Current derivative assets”;
- Non-current derivative assets of \$4.6 million have been reclassified from “Other non-current assets” to “Non-current derivative assets”;



- Goodwill of \$650.8 million has been reclassified from “Goodwill” to “Intangible assets”;
- China land use rights of \$2.7 million have been reclassified from “Other non-current assets” to “Intangible assets”;
- Non-current deferred tax assets of \$24.4 million have been reclassified from “Other non-current assets” to “Deferred tax assets”;
- Accrued sales allowance of \$21.7 million and accrued interest of \$60.2 million have been reclassified from “Accrued expenses and other current liabilities” to “Trade and other payables”;
- Unpresented checks of \$7.9 million recorded in “Accounts payable” have been reclassified to “Cash” thereby reducing “Cash” and “Accounts Payable”;
- Product warranty provision of \$3.7 million, workers’ compensation provision of \$3.7 million, customer claims of \$1.0 million, environmental provisions of \$0.2 million and lease provisions of \$0.3 million have been reclassified from “Accrued expenses and other current liabilities” to “Current provisions”;
- Current tax payable of \$4.8 million has been reclassified from “Accrued expenses and other current liabilities” to “Current tax liabilities”;
- After specific identifiable reclassifications have been made from “Accrued expenses and other current liabilities” to various liability accounts, the remaining balance of \$45.8 million was reclassified to “Trade and other payables”;
- The balance of “Deferred revenue” of \$42.6 million has been reclassified to “Trade and other payables”;
- Uncertain tax provisions of \$10.4 million have been reclassified from “Accrued expenses and other current liabilities” (\$3.4 million) and from “Other non-current liabilities” (\$7.0 million) to “Current tax liabilities”;
- Employee benefits of \$57.0 million and pension plan obligations of \$0.3 million have been reclassified from “Accrued expenses and other current liabilities” to “Current employee benefits”;
- Non-current deferred revenue of \$27.5 million, related party payables — ITR obligations of \$14.1 million and other liabilities of \$2.4 million have been reclassified from “Other non-current liabilities” to “Non-current payables”;
- Non-current lease obligations of \$1.4 million, non-current asset retirement obligations of \$12.5 million and other loss provisions of \$12.4 million have been reclassified from “Other non-current liabilities” to “Non-current provisions”;
- Non-current pension obligations of \$14.5 million, Netherland pension obligations of \$0.8 million, other non-current employee benefits of \$3.0 million and deferred compensation and severance of \$11.4 million have been reclassified from “Other non-current liabilities” to “Non-current employee benefits”;
- The balance of “Long-term debt” of \$2,794.6 million has been reclassified to “Non-current borrowings”;
- The balance of “Deferred income taxes” of \$36.5 million has been reclassified to “Deferred tax liabilities”;
- The balance of “Notes and interest receivable for ownership interests” of \$4.9 million has been reclassified to “Share capital”;
- The balance of “Common stock” of \$0.7 million and the balance of “Additional paid in capital” of \$464.9 million have been reclassified to “Share capital”; and
- The balance of “Accumulated other comprehensive income (loss)” of \$7.6 million has been reclassified to “Reserves.”

The following reclassifications have been made in the consolidated statements of operations for the year ended December 31, 2010 and for the three month periods ended March 31, 2010 and 2011:

- “Asset impairment charges” of \$9.6 million (three month periods ended March 31, 2010 and 2011: \$2.2 million and \$1.1 million, respectively), “Net loss on disposal of property, plant and equipment” of

\$3.7 million (three month periods ended March 31, 2010 and 2011: \$0.2 million and \$0.7 million, respectively) and “Increases in income tax receivable obligations” of \$5.0 million (three month periods ended March 31, 2010 and 2011: \$1.3 million and \$4.6 million, respectively), as reported by Graham Packaging on the face of the income statement, have been reclassified into “Other expenses” based on the nature of the expenses;

- “Selling, general and administrative expenses” of \$181.4 million (three month periods ended March 31, 2010 and 2011: \$67.5 million and \$39.5 million, respectively), as reported by Graham Packaging on the face of the income statement, have been reclassified into “Selling, marketing and distribution expenses” of \$59.0 million (three month periods ended March 31, 2010 and 2011: \$32.0 million and \$18.6 million, respectively), “General and administration expenses” of \$63.9 million (three month periods ended March 31, 2010 and 2011: \$34.6 million and \$20.1 million, respectively) and “Other expenses” of \$58.5 million (three month periods ended March 31, 2010 and 2011: \$0.9 million and \$0.8 million, respectively), based on the nature of the expenses;
- “Other (income) expense, net” of \$2.6 million (three month periods ended March 31, 2010 and 2011: \$2.9 million other expense, net and \$0.6 million other income, net, respectively) as reported by Graham Packaging on the face of the income statement, has been reclassified into “Other income” of \$0.4 million (three month periods ended March 31, 2010 and 2011: nil and \$0.6 million, respectively) and “Other expenses” of \$3.0 million (three month periods ended March 31, 2010 and 2011: \$2.9 million and nil, respectively), based on the nature of the items;
- “Interest expense” of \$185.6 million (three month periods ended March 31, 2010 and 2011: \$45.4 million and \$52.9 million, respectively) and “Net loss on debt extinguishment” of \$31.1 million (three month periods ended March 31, 2010 and 2011: \$2.7 million and nil, respectively) as reported by Graham Packaging on the face of the income statement, have been reclassified into “Financial expenses” based on the nature of the items; and
- “Write-off of amounts in accumulated other comprehensive income related to interest rate swaps” of \$7.0 million (three month periods ended March 31, 2010 and 2011: nil), as reported by Graham Packaging on the face of the income statement have been reclassified into “Financial expenses” based on the nature of the items.

#### **(9) Adjustments to Historical Graham Packaging Balances and Results on Preliminary Conversion from U.S. GAAP to IFRS**

The historical financial information of Graham Packaging was prepared in accordance with U.S. GAAP. For the purpose of presenting the unaudited pro forma combined financial information, the reclassified balance sheet data of Graham Packaging at March 31, 2011 and the reclassified income statement information for the year ended December 31, 2010 and for the three month periods ended March 31, 2010 and 2011 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, 2010 for the income statement information and as of March 31, 2011 for the balance sheet information. In converting this data, management has made adjustments to amounts previously reported in Graham Packaging’s 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 Graham Packaging 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 material adjustments to Graham Packaging’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 Graham Packaging's shareholders' equity and profit from continuing operations is set out below:

	<u>Preliminary At March 31, 2011</u> (In \$ millions)
Total deficit as reported under U.S. GAAP .....	\$(501.5)
<b><i>Adjustments for the preliminary conversion from U.S. GAAP to IFRS</i></b>	
Property, plant and equipment <sup>(a)</sup> .....	(3.3)
Intangible assets <sup>(a)</sup> .....	3.3
Deferred tax asset — current <sup>(b)</sup> .....	(33.2)
Deferred tax asset — non-current <sup>(c)</sup> .....	35.1
Other assets — non-current <sup>(d)</sup> .....	(26.3)
Borrowings — current <sup>(d)</sup> .....	(3.8)
Borrowings — non-current <sup>(d)</sup> .....	30.1
Other liabilities — current <sup>(e)</sup> .....	(2.4)
Deferred tax liabilities <sup>(e)</sup> .....	2.4
Non-current receivables <sup>(f)</sup> .....	4.9
Change in equity .....	6.8
<b>Total deficit under IFRS .....</b>	<b><u>\$(494.7)</u></b>

	<u>Preliminary At March 31, 2011</u> (In \$ millions)
Total deficit under U.S. GAAP .....	\$(501.5)
<b><i>Adjustments for the preliminary conversion from U.S. GAAP to IFRS</i></b>	
Share capital <sup>(f)</sup> .....	4.9
Reserves <sup>(f)</sup> .....	(0.5)
Retained earnings <sup>(f)(i)</sup> .....	2.4
Change in equity .....	6.8
<b>Total deficit under IFRS .....</b>	<b><u>\$(494.7)</u></b>

	<u>For the Year Ended December 31, 2010</u>	<u>For the Three Months Ended March 31,</u> 2010      2011	
	(In \$ millions)		
Income (loss) from continuing operations as reported under U.S. GAAP .....	\$61.8	\$(24.5)	\$ 8.1
<b><i>Adjustments for the preliminary conversion from U.S. GAAP to IFRS</i></b>			
Interest on note receivable in equity <sup>(g)</sup> .....	0.4	—	0.1
Employee benefits <sup>(h)</sup> .....	0.8	0.2	0.2
Income tax expense <sup>(i)</sup> .....	(0.5)	(0.1)	(0.1)
Change in results .....	0.7	0.1	0.2
<b>Profit before income taxes under IFRS .....</b>	<b><u>\$62.5</u></b>	<b><u>\$(24.4)</u></b>	<b><u>\$ 8.3</u></b>

(a) Property, plant and equipment and intangible assets

At March 31, 2011, Graham Packaging had capitalized software of \$3.3 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.

(b) 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 assets must be presented as a non-current asset. This adjustment reclassifies \$33.2 million of current deferred tax assets to non-current deferred tax assets. There is no impact on net assets arising from this adjustment.

(c) Deferred tax asset — Non-current

The \$35.1 million increase to deferred tax asset comprises:

- (i) \$33.2 million reclassification from current tax asset described above at (b); and
- (ii) \$1.9 million tax effect of all other U.S. GAAP to IFRS adjustments using the tax rate described in (i) below.

(d) Borrowings — Current and Non-current

Under U.S. GAAP, debt issuance costs are deferred and treated as a separate asset. Under IFRS, unamortized debt issuance costs and unamortized original issue discounts are an offset to non-current borrowings.

This adjustment reclassifies \$26.3 million of unamortized debt issuance cost from non-current other assets and \$3.8 million of unamortized original issue discounts from current borrowings to non-current borrowings. There is no impact on net assets arising from this adjustment.

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

(e) Deferred tax liabilities — Current

Under U.S. GAAP, deferred tax liabilities are allocated between current liabilities and non-current liabilities based on the expected timing of their utilization. Under IFRS, deferred tax liabilities must be presented as a non-current liability. This adjustment reclassifies \$2.4 million of current deferred tax liabilities to non-current deferred tax liabilities. There is no impact on net assets arising from this adjustment.

(f) Receivables — Non-current

At March 31, 2011, Graham Packaging had notes and interest receivable for ownership interest of \$4.9 million recorded in its statement of equity. Under IFRS, this amount is presented as a non-current receivable. As discussed above, notes and interest receivable for ownership interest of \$4.9 million was reclassified to share capital. The above adjustment reflects the reclassification from share capital to non-current receivables. There is a \$1.9 million impact on net assets arising from this adjustment.

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

(g) Financial income

This amount represents the interest income earned on the note receivable for ownership interest as described in note (f) above. The interest income of \$0.4 million for the year ended December 31, 2010 (March 31, 2010 and 2011: nil and \$0.1 million, respectively) was reclassified from equity to financial income.

The net adjustment to profit from continuing operations as a result of this adjustment was an increase of \$0.4 million for the year ended December 31, 2010 and an increase of \$0.1 million for the three months ended March 31, 2011.

(h) Employee benefits

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

Under U.S. GAAP, Graham Packaging's net pension income (expense) included the amortization of unrecognized actuarial gains and losses. On transition to IFRS, all unrecognized actuarial gains and losses may 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 statements:

	For the Year	For the Three	
	Ended	Months Ended	
	December 31,	March 31,	
	2010	2010	2011
	(In \$ millions)		
Reversal of unrecognized net actuarial loss . . . . .	\$(0.8)	\$(0.2)	\$(0.2)
Reversal of amortized prior service costs and net loss . . . . .	1.6	0.4	0.4
Net adjustment to pension expense . . . . .	<u>0.8</u>	<u>0.2</u>	<u>0.2</u>
Recognized as:			
(Increase) decrease to general and administration expenses . . . . .	<u>0.8</u>	<u>0.2</u>	<u>0.2</u>
<b>Net adjustment to profit from continuing operations . . . . .</b>	<b><u>\$ 0.8</u></b>	<b><u>\$ 0.2</u></b>	<b><u>\$ 0.2</u></b>

There is no impact on net assets arising from this adjustment.

(i) 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. The tax adjustment has been calculated using Graham Packaging's assumed statutory tax rate of 39%.

**(10) Preliminary Fair Value and Other Adjustments for the Graham Packaging Transaction**

This adjustment is comprised of:

- the Graham Packaging Acquisition;
- preliminary fair value adjustments with respect to the acquisition of Graham Packaging by the RGHL Group;
- the repayment of certain Graham Packaging external borrowings, which the RGHL Combined Group will repay or redeem in connection with the Graham Packaging Transaction; and
- the payment of certain fees and expenses by Graham Packaging and the RGHL Group associated with the transaction.

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

	(In \$ millions)
Purchase consideration to acquire Graham Packaging <sup>(i)</sup> . . . . .	\$(1,796.4)
ITR Payment <sup>(ii)</sup> . . . . .	(245.0)
Repayment of certain Graham Packaging external borrowings <sup>(iii)</sup> . . . . .	(1,938.7)
Consent payments for Graham Packaging Tender Offers <sup>(iv)</sup> . . . . .	(18.2)
Change of control payments to existing Graham Packaging management, option holders and stockholders <sup>(v)</sup> . . . . .	(84.5)
Transaction costs paid by Graham Packaging <sup>(vi)</sup> . . . . .	(68.1)
Transaction costs paid by RGHL <sup>(vii)</sup> . . . . .	<u>(22.5)</u>
<b>Net adjustment to cash . . . . .</b>	<b><u>\$(4,173.4)</u></b>

- 
- (i) Under the terms of the Graham Packaging Acquisition, Graham Packaging shareholders will receive \$25.50 in cash for each share of Graham Packaging common stock they owned at the effective time of the Graham Packaging Acquisition, representing purchase consideration of \$1,796.4 million.
  - (ii) Under the change of control provisions in Graham Packaging's income tax receivables agreements with certain pre-IPO shareholders, such certain pre-IPO shareholders are entitled to received payments of \$245.0 million.
  - (iii) Represents the repayment of Graham Packaging's senior secured credit facilities.
  - (iv) Represents consent payments associated with the consent solicitations for the Graham Packaging Notes, assuming all holders of the Graham Packaging Notes deliver consents and none tender their notes.
  - (v) Represents the change of control payments paid to Graham Packaging's management of \$24.6 million, option holders of \$52.9 million and certain existing stockholders of \$7.0 million in connection with the Graham Packaging Acquisition.
  - (vi) Represents transaction costs paid by Graham Packaging associated with a terminated merger agreement, purchaser side merger and acquisition costs and the Graham Packaging Tender Offers.
  - (vii) Represents transaction costs paid by RGHL in connection with Graham Packaging Acquisition.
- (b) Represents the decrease in current borrowings, calculated as follows:

	<u>(In \$ millions)</u>
Repayment of the current portion of existing Graham Packaging borrowings <sup>(i)</sup>	\$(38.4)
<b>Adjustment to current borrowings</b>	<b><u>\$(38.4)</u></b>

---

- (i) Represents the repayment of the current portion of Graham Packaging's senior secured credit facilities in connection with the Graham Packaging Transaction.

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

	<u>(In \$ millions)</u>
Repayment of the non-current portion of existing Graham Packaging borrowings <sup>(i)</sup>	\$(1,900.3)
Fair value adjustment to existing Graham Packaging borrowings that will be assumed <sup>(ii)</sup>	50.6
Unamortized debt issue costs and original issue discounts written off on repayment of existing Graham Packaging borrowings <sup>(iii)</sup>	<u>10.1</u>
<b>Adjustment to non-current borrowings</b>	<b><u>\$(1,839.6)</u></b>

---

- (i) Represents the repayment of the non-current portion of Graham Packaging's senior secured credit facilities in connection with the Graham Packaging Transaction.
  - (ii) Represents the fair value adjustment to existing Graham Packaging borrowings as of March 31, 2011. Each \$10.0 million change in this fair value adjustment would change the annual interest expense by \$2.1 million and the three month interest expense by \$0.5 million.
  - (iii) Represents the unamortized debt issue costs and original issue discounts in respect of the existing Graham Packaging borrowings to be repaid in connection with the Graham Packaging Transaction.
- (d) Represents the adjustment to share capital, comprising:

	<u>(In \$ millions)</u>
Elimination of Graham Packaging U.S. GAAP pre-acquisition share capital	\$(465.6)
<b>Adjustment to share capital</b>	<b><u>\$(465.6)</u></b>

(e) Represents the adjustment to equity reserves, comprising:

	<u>(In \$ millions)</u>
Elimination of Graham Packaging pre-acquisition reserves	\$8.1
<b>Adjustment to equity reserves</b>	<b><u>\$8.1</u></b>

(f) Represents the net adjustment to retained deficit, comprising:

	<u>(In \$ millions)</u>
Elimination of Graham Packaging pre-acquisition retained deficit . . . . .	\$968.3
Elimination of adjustments to Graham Packaging pre-acquisition reserves associated with U.S. GAAP to IFRS adjustments . . . . .	(2.4)
Elimination of adjustments to Graham Packaging pre-acquisition reserves associated with the preliminary fair value adjustments . . . . .	<u>(14.2)</u>
<b>Net adjustment to retained earnings . . . . .</b>	<b><u>\$951.7</u></b>

(g) Represents the adjustment to net financial expenses as if the Graham Packaging Transaction had been completed as of January 1, 2010, comprising:

	<u>For the Year Ended December 31, 2010</u>	<u>For the Three Months Ended March 31,</u>	
	<u>(In \$ millions)</u>		
Elimination of historical interest on Graham Packaging's senior secured credit facilities . . . . .	\$122.2	\$27.4	\$35.3
Amortization of fair value adjustment to existing Graham Packaging borrowings <sup>(i)</sup> . . . . .	<u>10.4</u>	<u>2.6</u>	<u>2.6</u>
<b>Net adjustment to financial expenses . . . . .</b>	<b><u>\$132.6</u></b>	<b><u>\$30.0</u></b>	<b><u>\$37.9</u></b>

(i) Represents an accretion to the non-cash interest expense on the amortization of the fair value adjustment described in note (h)(vi) below to existing Graham Packaging borrowings that remain outstanding following the Graham Packaging Transaction. Each \$10.0 million change in this fair value adjustment would change the three month interest expense by \$0.5 million and the annual interest expense by \$2.1 million.

(h) Represents the preliminary fair value adjustments for the acquisition of Graham Packaging by the RGHL Group.

The Graham Packaging Acquisition 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 Graham Packaging Acquisition at their fair values. Goodwill is then recognized for the excess of the consideration paid over the net of the identifiable assets acquired and liabilities assumed measured at their fair values.

We have commenced a preliminary evaluation to identify the material fair value adjustments required as they relate to the unaudited historical consolidated balance sheet of Graham Packaging as of March 31, 2011, the unaudited consolidated income statement for the three months ended March 31, 2010 and March 31, 2011 and the audited historical consolidated income statement for the year ended December 31, 2010. The procedures performed to date do not include the preparation of a full assessment of all of the fair value adjustments that may be required upon the completion of the Graham Packaging Acquisition, which adjustments may be materially different 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 following purchase accounting adjustments. The following table presents the calculation of the preliminary goodwill arising from the Graham Packaging Acquisition.

	<u>(In \$ millions)</u>
Cost of acquisition <sup>(i)</sup> . . . . .	<b>\$ 1,796.4</b>
Less the estimated book value of assets acquired and liabilities assumed:	
Historical U.S. GAAP book value of the net assets (liabilities) acquired <sup>(ii)</sup> . . . . .	(501.5)
Less Graham Packaging existing U.S. GAAP goodwill <sup>(iii)</sup> . . . . .	(650.8)
Adjustment to total equity to reflect U.S. GAAP to IFRS adjustments <sup>(iii)</sup> . . . . .	<u>6.8</u>

	<u>(In \$ millions)</u>
RGHL share of the IFRS book value of identifiable assets acquired and liabilities assumed	<u>(1,145.5)</u>
Cost of acquisition in excess of book value of identifiable assets acquired and liabilities assumed	2,941.9
<b>Purchase accounting adjustments</b>	
Repayment of existing debt <sup>(iv)</sup>	(10.1)
ITR payment <sup>(v)</sup>	(245.0)
Borrowings <sup>(vi)</sup>	(50.6)
Inventory <sup>(vii)</sup>	31.0
Employee benefits <sup>(viii)</sup>	(0.1)
Property, plant and equipment <sup>(ix)</sup>	244.8
Identifiable intangible assets <sup>(x)</sup>	1,351.1
Change of control payments to Graham Packaging management <sup>(xi)</sup>	(24.6)
Change of control payments to Graham Packaging option holders <sup>(xii)</sup>	(52.9)
Consent payments for Graham Packaging Tender Offers <sup>(xiii)</sup>	(18.2)
Change of control payment to certain existing Graham Packaging stockholders <sup>(xiv)</sup>	(7.0)
Provisions — non-current <sup>(xv)</sup>	(3.7)
Transaction costs paid by Graham Packaging <sup>(xvi)</sup>	(68.1)
Current tax liabilities <sup>(xvii)</sup>	(25.8)
Deferred tax asset on ITR payments <sup>(xvii)</sup>	22.0
Deferred tax liabilities <sup>(xvii)</sup>	<u>(602.2)</u>
Less fair value adjustments to the identifiable assets acquired and liabilities assumed	<u>540.6</u>
<b>Preliminary goodwill arising from the Graham Packaging Acquisition</b>	<b><u>\$ 2,401.3</u></b>
Less Graham Packaging's existing U.S. GAAP goodwill <sup>(ii)</sup>	<u>(650.8)</u>
<b>Adjustment to goodwill</b>	<b><u>\$ 1,750.5</u></b>

- (i) Under the terms of the Graham Packaging Acquisition, Graham Packaging stockholders will receive \$25.50 for each share of Graham Packaging stock they own at the effective time of the Graham Packaging Acquisition.
- (ii) As per Graham Packaging unaudited consolidated balance sheet as of March 31, 2011.
- (iii) Adjustment to Graham Packaging's total equity as of March 31, 2011 arising from U.S. GAAP to IFRS adjustments as described above in note 9.
- (iv) Represents the unamortized debt issuance costs and original issue discount in respect of the existing Graham Packaging borrowings to be repaid in connection with the Graham Packaging Transaction.
- (v) Reflects the adjustment of \$245.0 million for the ITR payments and an associated deferred tax asset of \$22.0 million. In connection with Graham Packaging's IPO process in 2011, Graham Packaging entered into and amended certain agreements with its pre-IPO stockholders to provide them additional payments in the future based on the utilization of tax losses accumulated by Graham Packaging prior to the IPO. Under the terms of these arrangements, Graham Packaging is required to pay to the pre-IPO stockholders a calculated value based on the net operating losses used in each future period to reduce or offset taxable income, or in the case of a change in control event, a set amount as determined under the terms of the related agreement.
- (vi) Reflects the preliminary fair value adjustment to increase by \$50.6 million Graham Packaging's borrowings that will remain outstanding post-acquisition. The estimated March 31, 2011 fair value adjustment has been determined using quoted market prices as of March 31, 2011. Each \$10.0 million change in this fair value adjustment would change the annual interest expense by approximately \$2.1 million and the expense for the three month periods ended March 31, 2010 and 2011 by \$0.5 million.



- (vii) Reflects the preliminary fair value adjustment to increase inventory by \$31.0 million based on our preliminary assessment as of March 31, 2011.
- (viii) Reflects the preliminary actuarially determined net adjustment to increase Graham Packaging's pension plan net liability, reflecting March 31, 2011 discount rates, plan asset values and employee data.
- (ix) 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 \$23.1 million in the year ended December 31, 2010 and \$5.8 million for each of the three month periods ended March 31, 2010 and 2011. A decrease of one year would increase depreciation expense by \$38.3 million in the year ended December 31, 2010, and \$9.6 million for each of the three month periods ended March 31, 2010 and 2011.
- (x) Reflects the preliminary fair value adjustment to identifiable intangible assets to reflect the value of trade names, customer relationships and technology. For the purpose of the pro forma income statements, amortization has been calculated based on the estimated average useful lives of the finite 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 \$4.3 million in the year ended December 31, 2010, and \$1.1 million for each of the three month periods ended March 31, 2010 and 2011. A decrease of one year would increase amortization expense by \$5.1 million in the year ended December 31, 2010, and \$1.3 million for each of the three month periods ended March 31, 2010 and 2011.

<u>Type of Identifiable Intangible Assets</u>	<u>Preliminary Fair Values</u>	<u>Estimated Useful life</u>
Trade names . . . . .	\$ 293.3	Indefinite
Customer relationships . . . . .	904.9	17 years
Technology . . . . .	<u>350.2</u>	15 years
Preliminary fair value of identifiable intangible assets . . . . .	1,548.4	
Less existing intangible assets (excluding goodwill) after U.S. GAAP to IFRS adjustment . . . . .	<u>(197.3)</u>	
<b>Adjustment to identifiable intangible assets . . . . .</b>	<b><u>\$1,351.1</u></b>	

Graham Packaging's historical depreciation and amortization 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 finite lives. To recognize the transaction as if it had been completed as of January 1, 2010, depreciation and amortization expense would increase in the pro forma combined income statements for the year ended December 31, 2010 and for the three months ended March 31, 2010 and 2011, as follows:

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Amortization of intangible assets (excluding goodwill) . . . . .	\$(64.5)	\$(17.2)	\$(12.6)
Depreciation of property, plant and equipment . . . . .	<u>(6.3)</u>	<u>(4.6)</u>	<u>5.2</u>
<b>Total . . . . .</b>	<b><u>\$(70.8)</u></b>	<b><u>\$(21.8)</u></b>	<b><u>\$(7.4)</u></b>
Recognized in:			
Cost of sales . . . . .	\$(29.5)	\$(11.1)	\$ 1.0
General and administration expenses . . . . .	<u>(41.3)</u>	<u>(10.7)</u>	<u>(8.4)</u>
<b>Total . . . . .</b>	<b><u>\$(70.8)</u></b>	<b><u>\$(21.8)</u></b>	<b><u>\$(7.4)</u></b>

- (xi) Reflects the preliminary fair value adjustment to recognize estimated liabilities to Graham Packaging's management arising from the Graham Packaging Acquisition. The total adjustment of \$24.6 million comprises severance, bonus, pension and other liabilities resulting from the change of control.
- (xii) Reflects the preliminary fair value adjustment to recognize estimated liabilities to Graham Packaging's option holders arising from the Graham Packaging Acquisition.
- (xiii) Reflects the consent payments associated with the consent solicitations for the Graham Packaging Notes, assuming all holders of the Graham Packaging Notes deliver consents and none tender their notes.
- (xiv) Reflects the estimated fair value adjustment to recognize estimated liabilities to Donald C. Graham, his family and affiliated entities and Graham Packaging's financial sponsors for the termination of a monitoring agreement.
- (xv) 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 Graham Packaging than current market terms.
- (xvi) In April 2011, Graham Packaging entered into a merger agreement with Silgan Holdings Inc. which contained certain termination rights and a provision that Graham Packaging was required to pay to Silgan Holdings Inc. a cash termination fee of \$39.5 million. In addition, professional service fees in connection with the now terminated merger with Silgan Holdings Inc. and the acquisition by RGHL have been estimated at \$26.1 million and other costs and fees related to the Graham Packaging Tender Offers have been estimated to be \$25.0 million.
- (xvii) Reflects the tax effect of the above preliminary fair value adjustments determined using a statutory tax rate of 39%.

(i) Represents the tax effect of the above preliminary fair value adjustments. This tax adjustment has been calculated using Graham Packaging's assumed statutory tax rate of 39%.

## (11) The New Financing Arrangements

This adjustment is comprised of:

- The incurrence of the \$1,500.0 million in new senior secured indebtedness, net of estimated transaction costs;
- The incurrence of the \$500.0 million in new senior indebtedness, net of estimated transaction costs; and
- The borrowing of the \$2,000.0 million term loans under the New Incremental Senior Secured Credit Facilities, net of \$20.0 million of assumed original issue discount and estimated transaction costs.

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

	<u>(In \$ millions)</u>
Proceeds from the in new senior secured indebtedness <sup>(i)</sup> . . . . .	\$1,500.0
Proceeds from the in new senior indebtedness <sup>(ii)</sup> . . . . .	500.0
Proceeds from the New Incremental Senior Secured Credit Facilities <sup>(iii)</sup> . . . . .	1,980.0
Payment of the estimated fees and expenses associated with the New Financing Arrangements <sup>(iv)</sup> . . . . .	<u>(175.5)</u>
<b>Net adjustment to cash</b> . . . . .	<b><u>\$3,804.5</u></b>

- (i) Represents the gross proceeds from the in new senior secured indebtedness in aggregate principal amount of \$1,500.0 million.
- (ii) Represents the gross proceeds from the in new senior indebtedness in aggregate principal amount of \$500.0 million.
- (iii) Represents net proceeds from the term loans under the New Incremental Senior Secured Credit Facilities in the amount of \$2,000.0 million, net of an aggregate \$20.0 million of assumed original issue discount. See below for a sensitivity analysis related to the original issue discount, if applicable.
- (iv) Represents the payment of an estimated \$51.6 million of fees and expenses associated with the new indebtedness, payment of an estimated \$53.9 million of fees and expenses associated with the New

Incremental Senior Secured Credit Facilities and \$70.0 million of fees and expenses in connection with committed bridge funding and other costs associated with the Graham Packaging Transaction which are immediately expensed.

(b) Represents the current portion of the term loans drawn under the New Incremental Senior Secured Credit Facilities plus an additional \$200.0 million portion on the existing Senior Secured Credit Facilities, calculated as follows:

	<u>(In \$ millions)</u>
New Incremental Senior Secured Credit Facilities <sup>(i)</sup> . . . . .	<u>\$220.0</u>
<b>Net adjustment to current borrowings</b> . . . . .	<b><u>\$220.0</u></b>

(i) Represents the current portion of the term loans drawn under the New Incremental Senior Secured Credit Facilities calculated as 1% of the principal plus an additional annual \$200.0 million payment under the Senior Secured Credit Facilities.

(c) Represents the tax effect of the fees and expenses in connection with committed bridge funding and other costs associated with the Graham Packaging Transaction which are expensed immediately.

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

	<u>(In \$ millions)</u>
Proceeds from the new senior secured indebtedness <sup>(i)</sup> . . . . .	\$1,500.0
Proceeds from the new senior indebtedness <sup>(ii)</sup> . . . . .	500.0
Estimated fees and expenses associated with the new indebtedness . . . . .	<u>(51.6)</u>
Net proceeds from the new indebtedness . . . . .	<u>1,948.4</u>
Proceeds from the New Incremental Senior Secured Credit Facilities <sup>(iii)</sup> . . . . .	1,980.0
Estimated fees and expenses associated with the New Incremental Senior Secured Credit Facilities <sup>(iv)</sup> . . . . .	<u>(73.9)</u>
Net proceeds from the New Incremental Senior Secured Credit Facilities . . . . .	1,906.1
Incremental amortization on the Senior Secured Credit Facilities <sup>(v)</sup> . . . . .	<u>(200.0)</u>
<b>Net adjustment to non-current borrowings</b> . . . . .	<b><u>\$3,654.5</u></b>

(i) Represents the gross proceeds from the new senior secured indebtedness in aggregate principal amount of \$1,500.0 million.

(ii) Represents the gross proceeds from the new senior indebtedness in aggregate principal amount of \$500.0 million.

(iii) Represents the non-current portion of the New Incremental Senior Secured Credit Facilities.

(iv) Represents the aggregated assumed debt issuance costs of \$53.9 million and the aggregate assumed original issue discount of \$20.0 million. See below for a sensitivity analysis related to the original issue discount, if applicable.

(v) Represents the transfer to current borrowings of an additional \$200.0 million annual payment under the Senior Secured Credit Facilities.

(e) Represents the after tax net adjustments to retained earnings for the fees and expenses in connection with committed bridge funding and other costs associated with the Graham Packaging Transaction which are expensed immediately.

(f) Represents the net adjustment to net financial expenses as if the Graham Packaging Transaction had been completed as of January 1, 2010, comprising:

	For the Year Ended December 31, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
Interest expense on the new senior secured indebtedness <sup>(i)</sup> . . . . .	\$(123.8)	\$(30.9)	\$(30.9)
Interest expense on the new senior indebtedness <sup>(ii)</sup> . . . . .	(51.3)	(12.8)	(12.8)
Amortization of new indebtedness incurrence costs <sup>(iii)</sup> . . . . .	(3.3)	(0.8)	(0.8)
<b>Additional interest expense on new indebtedness</b> . . . . .	<b>(178.4)</b>	<b>(44.5)</b>	<b>(44.5)</b>
Interest expense on the New Incremental Senior Secured Credit Facilities <sup>(iv)</sup> . . . . .	(130.0)	(32.5)	(32.5)
Incremental interest expense on the Senior Secured Credit Facilities <sup>(v)</sup> . . . . .	(58.4)	(14.7)	(15.6)
Amortization of the New Incremental Senior Secured Credit Facilities issuance costs and original issue discount <sup>(vi)</sup> . . . . .	(10.6)	(2.6)	(2.6)
<b>Net adjustment to financial expenses</b> . . . . .	<b><u>\$(377.4)</u></b>	<b><u>\$(94.3)</u></b>	<b><u>\$(95.2)</u></b>

- (i) Reflects an assumed interest rate of 8.25% on the principal amount of the new senior secured indebtedness of \$1,500.0 million. Interest will be paid in dollars. Each 0.125% change in the assumed interest rates used in the pro forma income statement would change interest expense on the new senior secured indebtedness by \$1.8 million in the year ended December 31, 2010 and by \$0.5 million in each of the three month periods ended March 31, 2010 and 2011. In addition, for each month that funds from the incurrence of the new senior secured indebtedness remain in escrow, interest expense of \$10.6 million will be incurred by certain affiliates of RGHL.
- (ii) Reflects an assumed interest rate of 10.25% on the principal amount of the new senior indebtedness of \$500.0 million. Interest will be paid in dollars. Each 0.125% change in the assumed interest rates used in the pro forma income statement would change interest expense on the new senior indebtedness by \$0.6 million in the year ended December 31, 2010, and by \$0.2 million in each of the three month periods ended March 31, 2010 and 2011. In addition, for each month that funds from the incurrence of the new senior indebtedness remain in escrow, interest of \$4.3 million will be incurred by certain affiliates of RGHL.
- (iii) Reflects non-cash amortization expense of an assumed aggregate \$51.6 million of debt incurrence costs associated with the new indebtedness. This non-cash expense has been calculated using the effective interest rate method. No original issue discount has been assumed, however, each 0.5% of original issue discount would increase the annual interest expense by \$0.1 million. Each 0.5% of original issue discount would result in a \$10.0 million decrease in the cash proceeds received from incurrence of the new indebtedness.
- (iv) The interest rates used for pro forma purposes are based on the assumed rates to be in effect upon the closing of the Graham Packaging Transaction. The interest rate on the terms loans under the New Incremental Senior Secured Credit Facilities is assumed to be 6.5% (based on an adjusted LIBOR (\$ tranche) floor of 1.25% and a margin of 5.25%). 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 New Incremental Senior Secured Credit Facilities by \$2.5 million in the year ended December 31, 2010, and by \$0.6 million in each of the three month periods ended March 31, 2010 and 2011.
- (v) Reflects the assumed incremental interest of 6.5% on the US Tranche of the Senior Secured Credit Facilities (based on an adjusted LIBOR floor of 1.25% and a margin of 5.25%) and the assumed incremental interest of 6.75% on the euro Tranche of the Senior Secured Credit Facilities (based on an adjusted EURIBOR floor of 1.5% and a margin of 5.25%). Each 0.125% change in the assumed interest rates used in the pro forma income statement would change interest expense on the incremental interest on the U.S. Tranche of the Senior Secured Credit Facilities by \$2.9 million in the year ended December 31, 2010, and by \$0.7 million in each of the three month periods ended March 31, 2010 and 2011. Each 0.125% change in the assumed interest rates used in the pro forma income statement would

change interest expense on the incremental interest on the euro Tranche of the Senior Secured Credit Facilities by \$0.5 million in the year ended December 31, 2010, and by \$0.1 million in each of the three month periods ended March 31, 2010 and 2011.

(vi) Reflects non-cash amortization expense with respect to \$53.9 million of debt incurrence costs associated with the terms loans under the New Incremental Senior Secured Credit Facilities. This non-cash expense has been calculated using the effective interest rate method. No original issue discount has been assumed, however, each 0.5% of original issue discount would increase the annual interest expense by \$1.4 million. Each 0.5% of original issue discount would result in a \$10.0 million decrease in the cash proceeds received from the New Incremental Senior Secured Credit Facilities.

(g) Represents the net adjustment to income tax (expense) benefit as if the funding for the Graham Packaging Transaction had been completed as of January 1, 2010. The tax benefit has been calculated using a local statutory tax rate of 37%.

## (12) RGHL Combined Group Depreciation and Amortization

The pro forma 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, 2010	For the Three Months Ended March 31,	
		2010	2011
	(In \$ millions)		
RGHL Group . . . . .	\$497.9	\$120.2	\$191.0
Pactiv . . . . .	167.9	48.0	—
Graham Packaging . . . . .	241.9	60.4	60.5
Dopaco . . . . .	<u>23.6</u>	<u>5.9</u>	<u>5.8</u>
<b>Total for the period . . . . .</b>	<b><u>\$931.3</u></b>	<b><u>\$234.5</u></b>	<b><u>\$257.3</u></b>

### (13) RGHL Combined Group Borrowings

The following table identifies as of March 31, 2011 on a pro forma basis following the consummation of the Graham Packaging Transaction, the components of our current and non-current borrowings, net of the respective unamortized incurrence costs and original issue discounts:

	<u>(In \$ millions)</u>
New senior secured indebtedness <sup>(i)</sup> .....	\$ 1,463.2
New senior indebtedness(ii) .....	485.2
New Incremental Senior Secured Credit Facilities <sup>(iii)</sup> .....	1,926.1
February 2011 Senior Secured Notes <sup>(iv)</sup> .....	999.0
February 2011 Senior Notes <sup>(v)</sup> .....	992.9
October 2010 Senior Secured Notes <sup>(vi)</sup> .....	1,471.1
October 2010 Senior Notes <sup>(vii)</sup> .....	1,464.8
May 2010 Notes <sup>(viii)</sup> .....	978.0
2009 Notes <sup>(ix)</sup> .....	1,686.7
Senior Secured Credit Facilities <sup>(x)</sup> .....	2,661.8
2007 Senior Notes <sup>(xi)</sup> .....	660.3
2007 Senior Subordinated Notes <sup>(xii)</sup> .....	577.1
Existing Pactiv Indebtedness <sup>(xiii)</sup> .....	1,057.4
Existing Graham Packaging Indebtedness <sup>(xiv)</sup> .....	903.5
Finance lease obligations .....	30.5
Other borrowings .....	<u>20.9</u>
<b>Total borrowings</b> .....	<b><u>\$17,378.5</u></b>
Current borrowings .....	\$ 251.5
Non-current borrowings .....	<u>17,127.0</u>
<b>Total borrowings</b> .....	<b><u>\$17,378.5</u></b>

- (i) Reflects the proceeds from the aggregate principal amount of \$1,500.0 million of new senior secured indebtedness, net of the assumed \$36.8 million of debt incurrence costs.
- (ii) Reflects the proceeds from the aggregate principal amount of \$500.0 million of new senior indebtedness, net of the assumed \$14.8 million of debt incurrence costs.
- (iii) Reflects the balance outstanding under the New Incremental Senior Secured Credit Facilities, net of an aggregate \$20.0 million assumed original issue discount and net of the assumed \$53.9 million of debt incurrence cost in connection with the New Incremental Senior Secured Credit Facilities.
- (iv) Reflects the proceeds from the aggregate principal amount of \$1,000.0 million of February 2011 Senior Secured Notes, net of \$15.8 million of unamortized debt incurrence costs, plus \$14.8 million of embedded derivatives.
- (v) Reflects the proceeds from the aggregate principal amount of \$1,000.0 million of February 2011 Senior Notes, net of \$18.2 million of unamortized debt incurrence costs, plus \$11.1 million of embedded derivatives.
- (vi) Reflects the proceeds from the aggregate principal amount of \$1,500.0 million of October 2010 Senior Secured Notes, net of \$37.3 million of unamortized debt incurrence costs, plus \$8.4 million of embedded derivatives.
- (vii) Reflects the proceeds from the aggregate principal amount of \$1,500.0 million of October 2010 Senior Notes, net of \$44.5 million of unamortized debt incurrence costs, plus \$9.3 million of embedded derivatives.
- (viii) Reflects the proceeds from the aggregate principal amount of \$1,000.0 million of May 2010 Notes, net of \$30.7 million of unamortized debt incurrence costs, plus \$8.7 million of embedded derivatives.
- (ix) Reflects the proceeds from the aggregate principal amounts of \$1,125.0 million and €450.0 million of 2009 Notes, net of \$19.0 million of original issue discount and \$67.6 million of unamortized debt incurrence costs, plus \$12.3 million of embedded derivatives.

- (x) Reflects the balances outstanding under the Senior Secured Credit Facilities, net of \$16.5 million of unamortized debt issuance costs.
- (xi) Reflects the proceeds from the aggregate principal amount of €480.0 million of 2007 Senior Notes, net of \$18.0 million of unamortized debt incurrence costs.
- (xii) Reflects the proceeds from the aggregate principal amount of €420.0 million of 2007 Senior Subordinated Notes, net of \$16.5 million of unamortized debt incurrence costs.
- (xiii) Reflects notes issued by Pactiv and the remaining balance outstanding at March 31, 2011.
- (xiv) Reflects the Graham Packaging indebtedness outstanding at March 31, 2011, less amounts repaid prior to or in connection with the Graham Packaging Transaction.

Our total pro forma indebtedness of \$17,691.9 million includes (i) total interest bearing borrowings of \$17,378.5 million, (ii) derivative liabilities of \$4.8 million, (iii) bank overdrafts of \$3.5 million, (iv) debt incurrence costs and original issue discounts of \$436.6 million, (v) offset by embedded derivative assets of \$64.6 million and (vi) preliminary fair value adjustments of \$66.9 million.

## DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

### **Amendment to the Senior Secured Credit Facilities**

We expect that as a part of the Graham Packaging Transaction, RGHL and certain of its subsidiaries will enter into an amendment to the Senior Secured Credit Facilities. We expect that such amendment will provide for an increase in the amount available to be extended under the Senior Secured Credit Facilities in the form of incremental loans and various other changes to the terms of the Senior Secured Credit Facilities. We expect that RGHL will also receive commitments from various lenders for incremental term loans (the “Tranche C Term Loans”) in an aggregate principal amount of \$2,000 million, which loans must be drawn in a single drawing on, or in escrow prior to, the closing of the Graham Packaging Acquisition. The proceeds of the Tranche C Term Loans will be applied along with available cash to fund a senior secured intercompany note to certain subsidiaries of Graham Holdings, the proceeds of which will be used to repay, repurchase, redeem or otherwise retire Graham Packaging’s senior secured credit facilities and to pay fees, expenses and transaction costs. In connection with these amendments, we expect that the interest rate margin on our existing U.S. term loans and European term loans under our Senior Secured Credit Facilities will be increased.

We have assumed for purposes of this information statement that we will enter into the New Incremental Senior Secured Credit Facilities and that we will not redeem, repurchase or accept for purchase pursuant to the Graham Packaging Tender Offers or otherwise any Graham Packaging Notes. However, if we are unable to enter into the New Incremental Senior Secured Credit Facilities, we will seek alternative debt financing, the terms of which may be different than those that we have assumed and we may be required to take actions or provide guarantees that we do not currently intend to take or provide. If we were to redeem, repurchase or accept for purchase all or a portion of the Graham Packaging Notes, the amount of net debt that we will incur in connection with the Graham Packaging Transaction would increase by the amount of any required redemption premium and additional or duplicative interest costs, and any such increases would increase our pro forma indebtedness and interest expense.

In connection with the execution and delivery of the Merger Agreement, we entered into a debt commitment letter that provides up to \$5,000 million in aggregate debt financing, subject to certain conditions and subject to adjustments, including to reflect certain alternative debt financing that may be incurred. Such debt commitments consist of (i) up to \$2,500 million in aggregate amount of secured bank bridge loans or, if the New Incremental Senior Secured Credit Facilities are obtained on or prior to the closing date of the Graham Packaging Acquisition, incremental term loans incurred under our Senior Secured Credit Facilities, (ii) up to \$1,500 million in aggregate amount of secured notes bridge loans, reduced by the amount of any net proceeds that may be obtained from the incurrence and sale of the Senior Secured Notes and (iii) up to \$1,000 million in aggregate amount of unsecured notes bridge loans, reduced by the amount of any net proceeds that may be obtained from the issuance and sale of the Senior Notes.