Reynolds Group Holdings Limited

Financial statements for the period ended December 31, 2010

Reynolds Group Holdings Limited

Contents

	Page
Auditors' report	F - 2
Statements of comprehensive income	F - 3
Statements of financial position	F - 4
Statements of changes in equity	F - 5
Statements of cash flows	F - 6
Notes to the financial statements	F - 9

Report of Independent Auditors

To the Shareholder and Board of Directors of Reynolds Group Holdings Limited:

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Reynolds Group Holdings Limited and its subsidiaries (the "Company") at December 31, 2010 and December 31, 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Chicago, Illinois
July 12, 2011

Reynolds Group Holdings Limited

Statements of comprehensive income

For the period ended

(In $ million)	Note	For the period ended December 31, 2010	2009	2008
Revenue	8	6,774.0	5,910.0	6,012.8
Cost of sales		(5,520.4)	(4,691.3)	(5,309.2)
Gross profit		**1,253.6**	**1,218.7**	**703.6**
Other income	9	102.1	201.0	93.6
Selling, marketing and distribution expenses		(230.7)	(210.7)	(228.5)
General and administration expenses		(389.9)	(366.8)	(334.3)
Other expenses	11	(80.0)	(95.9)	(246.4)
Share of profit of associates and joint ventures, net of income tax (equity method)	24	18.1	11.4	6.3
Profit (loss) from operating activities		**673.2**	**757.7**	**(5.7)**
Financial income	13	65.6	20.9	164.5
Financial expenses	13	(751.7)	(513.2)	(408.8)
Net financial expenses		(686.1)	(492.3)	(244.3)
Profit (loss) before income tax		**(12.9)**	**265.4**	**(250.0)**
Income tax benefit (expense)	14	(80.0)	(148.7)	63.1
Profit (loss) from continuing operations		**(92.9)**	**116.7**	**(186.9)**
Profit from discontinued operations	7	-	-	44.0
Profit (loss) for the period		**(92.9)**	**116.7**	**(142.9)**
Other comprehensive income (expense) for the period, net of income tax				
Cash flow hedges		-	11.5	(7.7)
Exchange differences on translating foreign operations		243.5	(28.3)	113.8
Transfers from foreign currency translation reserve to profit and loss		48.9	-	-
Total other comprehensive income (expense) for the period, net of income tax	15	292.4	(16.8)	106.1
Total comprehensive income (expense) for the period		**199.5**	**99.9**	**(36.8)**
Profit (loss) attributable to:				
Equity holder of the Group		(92.9)	116.9	(143.3)
Non-controlling interests		-	(0.2)	0.4
		(92.9)	**116.7**	**(142.9)**
Total other comprehensive income (expense) attributable to:				
Equity holder of the Group		292.9	(17.1)	107.3
Non-controlling interests		(0.5)	0.3	(1.2)
		292.4	**(16.8)**	**106.1**

The statements of comprehensive income should be read in conjunction with the notes to the financial statements.

Reynolds Group Holdings Limited
Statements of financial position

(In $ million)	Note	As at December 31 2010	2009
Assets			
Cash and cash equivalents	16	663.8	515.5
Trade and other receivables	17	1,150.2	683.1
Derivatives	30	11.8	6.3
Assets held for sale	18	17.8	33.7
Current tax assets	22	108.6	8.5
Inventories	19	1,280.6	755.6
Other assets		63.1	82.6
Total current assets		**3,295.9**	**2,085.3**
Non-current receivables	17	303.1	339.8
Investments in associates and joint ventures (equity method)	24	109.6	103.8
Deferred tax assets	22	23.3	18.3
Property, plant and equipment	20	3,274.6	1,825.0
Investment properties	21	67.6	76.3
Intangible assets	23	8,934.9	3,279.1
Derivatives	30	87.0	16.8
Other assets		75.0	17.1
Total non-current assets		**12,875.1**	**5,676.2**
Total assets		**16,171.0**	**7,761.5**
Liabilities			
Bank overdrafts		11.7	1.1
Trade and other payables	25	1,247.5	760.7
Borrowings	26	141.3	112.3
Current tax liabilities	22	140.0	67.8
Derivatives	30	1.2	15.3
Employee benefits	27	194.7	135.4
Provisions	28	72.6	80.9
Other liabilities		-	2.0
Total current liabilities		**1,809.0**	**1,175.5**
Non-current payables	25	8.3	28.4
Borrowings	26	11,699.0	4,841.8
Deferred tax liabilities	22	1,324.3	331.0
Employee benefits	27	971.5	241.3
Provisions	28	91.4	40.1
Total non-current liabilities		**14,094.5**	**5,482.6**
Total liabilities		**15,903.5**	**6,658.1**
Net assets		**267.5**	**1,103.4**
Equity			
Share capital	29	1,695.0	1,653.9
Reserves	29	(1,191.9)	(437.2)
Retained earnings (accumulated losses)		(258.5)	(129.6)
Equity attributable to equity holder of the Group		**244.6**	**1,087.1**
Non-controlling interests		22.9	16.3
Total equity		**267.5**	**1,103.4**

The statements of financial position should be read in conjunction with the notes to the financial statements.

Reynolds Group Holdings Limited

Statements of changes in equity

(In $ million)	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Retained earnings (accumulated losses)	Equity attributable to equity holder of the Group	Non-controlling interests	Total
Balance at the beginning of the period (January 1, 2008)		40.5	(10.3)	-	(3.8)	(103.2)	**(76.8)**	7.0	**(69.8)**
Issue of shares, net of issue costs		1,051.4	-	-	-	-	**1,051.4**	-	**1,051.4**
Common control transactions		-	-	71.1	-	-	**71.1**	-	**71.1**
Total comprehensive income for the period:									
Profit (loss) after tax		-	-	-	-	(143.3)	**(143.3)**	0.4	**(142.9)**
Foreign exchange translation reserve		-	115.0	-	-	-	**115.0**	(1.2)	**113.8**
Cash flow hedges		-	-	-	(7.7)	-	**(7.7)**	-	**(7.7)**
Non-controlling interests acquired through business combinations		-	-	-	-	-	**-**	10.5	**10.5**
Balance at December 31, 2008		**1,091.9**	**104.7**	**71.1**	**(11.5)**	**(246.5)**	**1,009.7**	**16.7**	**1,026.4**
Balance at the beginning of the period (January 1, 2009)		1,091.9	104.7	71.1	(11.5)	(246.5)	**1,009.7**	16.7	**1,026.4**
Issue of shares, net of issue costs	29	1,669.9	-	-	-	-	**1,669.9**	-	**1,669.9**
Common control transactions	33	(1,107.9)	-	(584.4)	-	-	**(1,692.3)**	-	**(1,692.3)**
Total comprehensive income for the period:									
Profit (loss) after tax		-	-	-	-	116.9	**116.9**	(0.2)	**116.7**
Foreign exchange translation reserve		-	(28.6)	-	-	-	**(28.6)**	0.3	**(28.3)**
Cash flow hedges		-	-	-	11.5	-	**11.5**	-	**11.5**
Dividends paid to non-controlling interests		-	-	-	-	-	**-**	(0.5)	**(0.5)**
Balance at December 31, 2009		**1,653.9**	**76.1**	**(513.3)**	**-**	**(129.6)**	**1,087.1**	**16.3**	**1,103.4**
Balance at the beginning of the period (January 1, 2010)		1,653.9	76.1	(513.3)	-	(129.6)	**1,087.1**	16.3	**1,103.4**
Issue of shares, net of issue costs	29	946.6	-	-	-	-	**946.6**	-	**946.6**
Total comprehensive income for the period:									
Profit (loss) after tax		-	-	-	-	(92.9)	**(92.9)**	-	**(92.9)**
Foreign exchange translation reserve		-	292.9	-	-	-	**292.9**	(0.5)	**292.4**
Common control transactions	33	(905.5)	-	(1,047.6)	-	-	**(1,953.1)**	-	**(1,953.1)**
Purchase of non-controlling interest		-	-	-	-	3.0	**3.0**	(5.4)	**(2.4)**
Non-controlling interests acquired through business combinations	34	-	-	-	-	-	**-**	18.1	**18.1**
Disposal of business		-	-	-	-	-	**-**	(3.8)	**(3.8)**
Dividends paid to related parties and non-controlling interests	29	-	-	-	-	(39.0)	**(39.0)**	(1.8)	**(40.8)**
Balance at December 31, 2010		**1,695.0**	**369.0**	**(1,560.9)**	**-**	**(258.5)**	**244.6**	**22.9**	**267.5**

The statements of changes in equity should be read in conjunction with the notes to the financial statements.

Reynolds Group Holdings Limited

Statements of cash flows

(In $ million)	Note	For the period ended December 31 2010	2009	2008
Cash flows from operating activities				
Cash received from customers		6,798.3	6,081.0	5,990.5
Cash paid to suppliers and employees		(5,816.8)	(4,941.0)	(5,167.4)
Interest paid		(450.6)	(262.3)	(319.4)
Income taxes paid		(125.2)	(107.9)	(53.1)
Payment to related party for use of tax losses		(22.5)	-	-
Net cash from operating activities		**383.2**	**769.8**	**450.6**
Cash flows from investing activities				
Purchase of Whakatane Mill		(45.6)	-	-
Acquisition of property, plant and equipment and investment properties		(318.6)	(244.3)	(257.1)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets		31.5	40.9	67.7
Acquisition of intangible assets		(18.3)	(48.1)	(31.3)
Acquisition of other investments		-	-	(0.5)
Acquisition of businesses, net of cash acquired		(4,386.1)	3.9	(2,593.0)
Disposal of businesses, net of cash disposed		32.4	-	177.1
Disposal of other investments		10.6	3.5	8.8
Net related party advances (repayments)		97.2	102.9	(106.1)
Interest received		4.8	4.5	12.7
Dividends received from joint ventures		3.9	1.4	-
Net cash used in investing activities		**(4,588.2)**	**(135.3)**	**(2,721.7)**
Acquisitions of businesses under common control		(1,957.8)	(1,687.3)	-
Draw down of borrowings:				
October 2010 Notes		3,000.0	-	-
May 2010 Notes		1,000.0	-	-
2009 Notes		-	1,789.1	-
2009 Credit Agreement		2,820.0	1,404.0	-
2008 Reynolds Senior Credit Facilities		-	-	1,500.0
Blue Ridge Facility		-	-	5.9
Other borrowings		1.8	100.1	-
Repayment of borrowings:				
2009 Credit Agreement		(37.5)	-	-
Pactiv borrowings	34	(397.4)	-	-
Blue Ridge Facility		(43.1)	-	-
2008 Reynolds Senior Credit Facilities		-	(1,500.0)	-
2007 SIG Senior Credit Facilities		-	(742.0)	(166.8)
CHH Facility		-	(12.5)	-
Other borrowings		(3.3)	(127.7)	(24.9)
Proceeds from issues of share capital		322.0	578.2	1,051.4
Proceeds from related party borrowings		-	67.5	17.6
Repayment of related party borrowings		-	(179.7)	(13.8)
Payment of transaction costs		(293.1)	(150.1)	(22.1)
Payment of original issue discounts		(24.0)	(39.7)	-
Purchase of non-controlling interests		(3.2)	-	-
Dividends paid to related parties and non-controlling interests		(39.4)	(0.5)	-
Net cash from (used in) financing activities		**4,345.0**	**(500.6)**	**2,347.3**
Net increase in cash and cash equivalents		**140.0**	**133.9**	**76.2**
Cash and cash equivalents at the beginning of the period		514.4	383.3	339.5
Effect of exchange rate fluctuations on cash held		(2.3)	(2.8)	(32.4)
Cash and cash equivalents at December 31		**652.1**	**514.4**	**383.3**
Cash and cash equivalents comprise				
Cash and cash equivalents		663.8	515.5	386.6
Bank overdrafts		(11.7)	(1.1)	(3.3)
Cash and cash equivalents at December 31		**652.1**	**514.4**	**383.3**

The statements of cash flows should be read in conjunction with the notes to the financial statements.

Reconciliation of the profit for the period with the net cash from operating activities

(In $ million)	For the period ended December 31 2010	2009	2008
Profit (loss) from continuing operations for the period	(92.9)	116.7	(186.9)
Adjustments for:			
Depreciation of property, plant and equipment	313.7	330.7	304.6
Depreciation of investment properties	2.3	1.9	2.8
Impairment losses on property, plant and equipment, intangible assets, investment properties and assets held for sale	28.7	10.7	-
Amortization of intangible assets	181.9	169.1	169.0
Impairment losses on other assets	-	2.2	-
Net foreign exchange losses (gains) in operating activities	2.7	3.3	(4.9)
Change in fair value of derivatives	(3.8)	(129.0)	160.1
Loss (gain) on sale of non-current assets	(4.6)	(3.9)	0.4
Gains on sale of businesses and investment properties	(16.1)	-	-
CSI Americas gain on acquisition	(9.8)	-	-
Net financial expenses	686.1	492.3	244.3
Share of profit of equity accounted investees	(18.1)	(11.4)	(6.3)
Income tax expense (benefit)	80.0	148.7	(63.1)
Interest paid	(450.6)	(262.3)	(319.4)
Income taxes paid	(125.2)	(107.9)	(53.1)
Change in trade and other receivables	(44.6)	(43.3)	84.5
Change in inventories	41.2	91.7	51.9
Change in trade and other payables	11.9	(24.4)	0.1
Change in provisions and employee benefits	(201.8)	6.2	50.6
Change in other assets and liabilities	2.2	(21.5)	16.0
Net cash from operating activities	**383.2**	**769.8**	**450.6**

Significant non-cash financing and investing activities

During the period ended December 31, 2010 Evergreen Packaging Inc. (“EPI”) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in the amounts of CA$29.5 million ($29.2 million), NZ$775.6 million ($567.5 million) and $27.9 million.

During the period ended December 31, 2009, the Company issued shares in exchange for the repayment of certain related party borrowings in the amount of NZ$60.0 million ($40.8 million). Further, the Company issued shares in exchange for the novation of certain related party borrowings in the amount of NZ$1,046.7 million ($749.2 million). Refer to note 29.

During the period ended December 31, 2009, Evergreen Packaging International B.V.’s (“EPIBV”) parent company at the time, Evergreen Packaging (Antilles) N.V., contributed €47.4 million ($60.7 million) as a non-stipulated share premium without the issuance of shares.

During the period ended December 31, 2010, related party interest income of $14.0 million (2009: $11.6 million; 2008: $19.6 million) was capitalized as part of the non-current related party receivable balance. Refer to note 31.

Reynolds Group Holdings Limited
Statements of cash flows (continued)

Acquisitions and disposals of businesses

(In $ million)	2010 Acquisitions	2010 Disposals	2009 Acquisitions	2009 Disposals	2008 Acquisitions	2008 Disposals
	For the period ended December 31					
Inflow (outflow) of cash:						
Cash receipts (payments)	(4,488.2)	32.4	3.9	-	(2,614.7)	184.1
Net cash acquired (disposed of)	102.1	-	-	-	21.7	(7.0)
Consideration paid by related entity	-	-	-	-	(73.0)	-
Consideration received, satisfied in notes receivable	-	14.4	-	-	-	-
Consideration subject to post-closing adjustments *	-	1.1	2.7	-	(23.1)	-
Non-cash reallocation of purchase consideration	-	-	-	-	3.5	-
	(4,386.1)	**47.9**	**6.6**	**-**	**(2,685.6)**	**177.1**
Cash and cash equivalents	(102.1)	-	-	-	(21.7)	7.0
Net gain on sale before reclassification from foreign currency translation reserve	-	(9.9)	-	-	-	(42.2)
	(4,488.2)	**38.0**	**6.6**	**-**	**(2,707.3)**	**141.9**
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdraft	(102.1)	-	-	-	(21.7)	7.0
Trade and other receivables	(475.3)	11.7	-	-	(455.8)	58.7
Current tax assets	(54.7)	-	-	-	-	-
Inventories	(558.1)	7.7	-	-	(505.6)	56.6
Deferred tax assets	(37.5)	-	-	-	(2.9)	-
Property, plant and equipment	(1,448.6)	22.2	-	-	(812.4)	35.4
Intangible assets (excluding goodwill)	(3,203.5)	0.4	-	-	(920.9)	62.1
Goodwill	(2,630.1)	-	6.6	-	(785.5)	35.3
Other current and non-current assets	(59.6)	0.4	-	-	(2.9)	1.7
Investment in associates and joint ventures	-	3.4	-	-	(3.8)	-
Trade and other payables	426.0	(7.8)	-	-	585.8	(74.6)
Loans and borrowings	1,482.3	-	-	-	-	(11.2)
Provisions and employee benefits	1,076.5	-	-	-	-	(15.4)
Deferred tax liabilities	1,068.6	-	-	-	207.9	(13.7)
Net assets (acquired) disposed of	**(4,516.1)**	**38.0**	**6.6**	**-**	**(2,717.8)**	**141.9**
Discount on acquisition	9.8	-	-	-	-	-
Amounts reclassified from foreign currency translation reserve	-	0.8	-	-	-	4.5
Non-controlling interests	18.1	-	-	-	10.5	-
	(4,488.2)	**38.8**	**6.6**	**-**	**(2,707.3)**	**146.4**

Refer to note 34 for further details of acquisitions and note 7 for further details of discontinued operations.

* The cash paid in 2009 was for the post-closing adjustments relating to the acquisition of CSI Guadalajara (refer to note 34).

The statements of cash flows should be read in conjunction with the notes to the financial statements.

1. Reporting entity

Reynolds Group Holdings Limited (the "Company") is a company domiciled in New Zealand and registered under the Companies Act 1993.

The financial statements of Reynolds Group Holdings Limited as at and for the period ended December 31, 2010 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as "the Group".

The Group is principally engaged in the manufacture and supply of consumer food and beverage packaging and storage products, primarily in North America, Europe, Asia and South America.

The address of the registered office of the Company is c/o: Bell Gully, Level 22, Vero Centre, 48 Shortland Street, Auckland, New Zealand.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and "IFRIC Interpretations" as issued by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors (the "Directors") on July 12, 2011.

2.2 Going concern

The financial statements have been prepared using the going concern assumption.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention except for:

- certain components of inventory which are measured at net realizable value;
- defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and
- certain assets and liabilities, such as derivatives, which are measured at fair value.

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2010. Information for the comparative periods is for the twelve month periods ended December 31, 2009 and December 31, 2008.

2.4 Presentation currency

These financial statements are presented in US dollars ("$"), which is the Group's presentation currency.

2.5 Use of estimates and judgements

The preparation of financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in note 4.

2.6 Revisions and reclassifications

Certain adjustments have been recorded to correct the classifications of sales allowances between revenue and cost of sales within the statements of comprehensive income to align with the method of presentation adopted by the Group. For consistency of disclosure within the Group's financial statements and in accordance with IAS 18 "Revenue" and IAS 1 "Presentation of Financial Statements (revised 2007)", corrections of these amounts between revenue and cost of sales have been made from the amounts previously reported in the Group's financial statements for each of the periods. These adjustments have no impact on gross profit, profit from operating activities, EBITDA, Adjusted EBITDA, net profit, the statements of financial position or the statements of cash flows.

Certain adjustments have been recorded to correct the comparative statement of financial position classification of net deferred taxes and current tax liabilities. These adjustments correct the 2009 comparative period presentation to align with the presentation adopted as at December 31, 2010. As a result, current tax liabilities have been increased by $18.9 million, deferred tax assets have been reduced by $105.4 million, and deferred tax liabilities have been reduced by $124.3 million in the 2009 statement of financial position.

The December 31, 2010 statement of cash flows presents a $22.5 million payment to a related party for the use of tax losses as a cash flow from operating activities. The Group's interim statement of cash flows for the periods ended June 30, 2010 and September 30, 2010 incorrectly presented this payment as cash used in investing activities. The respective interim financial statements will be revised prospectively.

As of November 16 and December 31, 2010 the fair values attributed to the assets and liabilities associated with the Pactiv Acquisition (as defined in note 34) were based on preliminary values. As detailed in note 4.4, the Group is still in the process of finalizing these valuations. In June 2011, a component of these valuations was finalized. As a result, $14.9 million of the purchase price was allocated to an identifiable intangible asset for the value of environmental permits and other regulatory legal rights associated with a Pactiv Foodservice manufacturing facility. This manufacturing facility had been identified for closure in December 2010. Accordingly, upon finalizing this component of the purchase price allocation, the $14.9 million asset has been impaired and the loss recognized in other expenses in the revised statement of comprehensive income for the year ended December 31, 2010.

As of the date of these financial statements, efforts are ongoing in respect of the finalization of the provisional acquisition accounting. As detailed in note 4.4, further adjustments to the purchase price allocation and the related effects on the statements of comprehensive income may occur, and in accordance with IFRS these adjustments will be recognized retrospectively from the date of acquisition.

The adjustment described above resulted in an increase in the previously reported loss from continuing operations from $83.6 million to $92.9 million; a reduction in the previously reported total assets from $16,185.9 million to $16,171.0 million and a reduction in net assets from $276.8 million to $267.5 million. The adjustment described above had no impact on the statement of cash flows or Adjusted EBITDA reported in note 6.

2.7 Comparative information resulting from the combination of businesses under common control

As disclosed in note 33, indirect subsidiaries of the Company acquired the business operations of the Reynolds Consumer and Closure Systems International ("Closures") businesses on November 5, 2009. On May 4, 2010 indirect subsidiaries of the Company acquired the business operations that comprise Evergreen. On September 1, 2010 indirect subsidiaries of the Company acquired the business operations of the Reynolds Foodservice business.

Prior to these three transactions these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 "Business Combinations". In accordance with the Group's accounting policy for business combinations under common control, as outlined in note 3.1(d), the Group has compiled the comparative information as if the acquisition transactions had occurred from the earliest point that common control commenced.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by all Group entities.

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. Control exists when the parent of the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control (or effective control) commences until the date that control ceases.

The Group has adopted IFRS 3 "Business Combinations (revised)" and IAS 27 "Consolidated and Separate Financial Statements" (2008) for each acquisition or business combination occurring on or after January 1, 2010. All business combinations occurring on or after January 1, 2010 are accounted for using the acquisition method, while those prior to this date are accounted for using the purchase method.

The acquisition method of accounting is used to account for the acquisition of third party subsidiaries and businesses by the Group for transactions completed on or after January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, including the fair value of any contingent consideration and share-based payment awards (as measured in accordance with IFRS 2 "Share Based Payments") of the acquiree that are mandatorily replaced as a result of the transaction. Transaction costs that the Group incurs in connection with an acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are initially recognized at their proportionate share of the fair value of the net assets acquired.

During the measurement period an acquirer can report provisional information for a business combination if by the end of the reporting period in which the combination occurs the accounting is incomplete. The measurement period, however, ends at the earlier of when the acquirer has received all of the necessary information to determine the fair values or one year from the date of the acquisition.

The purchase method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group for transactions completed prior to January 1, 2010. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interests. Final values for a business combination are determined within twelve months of the date of the acquisition.

Refer to note 34 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

The Group's share of its associates' post-acquisition profits or losses and movements in other comprehensive income is recognized in the Group's statement of comprehensive income after adjustments (as required) are made to align the accounting policies of the associate with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a financial obligation or has made payments on behalf of the investee.

(c) Joint ventures

Joint ventures are those operations, entities or assets in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Interests in jointly controlled entities are accounted for using the equity method of accounting (as described in note 3.1(b)).

Interests in jointly controlled assets and operations are reported in the financial statements by including the Group's share of assets employed in the joint venture, the share of liabilities incurred in relation to the joint venture and the share of any expenses incurred in relation to the joint venture in their respective classification categories. Movements in reserves of joint ventures attributable to the Group are recognized in other comprehensive income in the statement of comprehensive income.

(d) Transactions between entities under common control

Common control transactions arise between entities that are under the ultimate ownership of the common sole shareholder, Mr. Graeme Hart.

Certain transactions between entities that are under common control may not be transacted on an arm's length basis. Any gains or losses on these types of transactions are recognized directly in equity. Examples of such transactions include but are not limited to:

- debt forgiveness transactions;
- transfer of assets for greater than or less than fair value; and
- acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

Acquisitions of entities under common control are accounted for as follows:

- predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;
- premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;
- the financial statements incorporate the acquired entities' results as if the acquirer and the acquiree had always been combined; and
- the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced as though the entities had always been combined even though the common control transaction did not occur until the current year.

(e) Transactions eliminated on consolidation

Intra-group balances and unrealized items of income and expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

(f) Transactions and non-controlling interests

The Group accounts for transactions with non-controlling interests as transactions with the equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

3.2 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is NZ$.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group's presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date of the statement of financial position;

(ii) income and expense items for each profit or loss item are translated at average exchange rates;

(iii) items of other comprehensive income are translated at average exchange rates; and

(iv) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognized as a component of equity and included in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive income as a component of the profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated on this basis.

3.3 Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, receivables, available-for-sale financial assets, trade and other payables and interest bearing borrowings.

A non-derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Non-derivative financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists and the Group intends to either settle the instrument net or realize the asset and liability simultaneously.

Upon initial acquisition the Group classifies its financial instruments in one of the following categories, which is dependent on the purpose for which the financial instruments were acquired.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except where these are repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

(b) Financial instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on the instrument's fair value. Upon initial recognition (at the trade date) attributable transaction costs are recognized in the statement of comprehensive income as a component of the profit or loss. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the statement of comprehensive income as a component of the profit or loss.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for instruments with maturities greater than twelve months from the reporting date, which are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables (including related party receivables) which are stated at their cost less impairment losses.

(d) Other liabilities

Other liabilities comprise all non-derivative financial liabilities that are not disclosed as liabilities at fair value through profit or loss. Other liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The Group's other liabilities comprise trade and other payables and interest bearing borrowings, including those with related parties. The Group's other liabilities are measured as follows:

(i) Trade and other payables

Subsequent to initial recognition trade and other payables are stated at amortized cost using the effective interest method.

(ii) Interest bearing borrowings including related party borrowings

On initial recognition, borrowings are measured at fair value less transaction costs that are directly attributable to borrowings. Subsequent to initial recognition interest bearing loans and borrowings are measured at amortized cost using the effective interest method.

3.4 Derivative financial instruments

A derivative financial instrument is recognized if the Group becomes a party to the contractual provisions of an instrument at the trade date.

Derivative financial instruments are initially recognized at fair value (which includes where applicable consideration of credit risk), and transaction costs are expensed as incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognized in the statement of comprehensive income as a component of the profit or loss unless the derivative financial instruments qualify for hedge accounting. Where a derivative financial instrument qualifies for hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

Derivative financial instruments are recognized on a gross basis unless a current and legally enforceable right to off-set exists.

Derivative financial assets are derecognized if the Group's contractual rights to the cash flows from the instrument expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

Derivative financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

(a) Cash flow hedges

Changes in the fair value of a derivative financial instrument designated as a cash flow hedge are recognized directly in equity as a component of other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of comprehensive income as a component of the profit or loss for the period.

If a hedging instrument no longer meets the criteria for hedge accounting or it expires, is sold, terminated or exercised, then hedge accounting is discontinued prospectively. At this point in time, the cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In all other cases the amount recognized in equity is transferred within the statement of comprehensive income in the same period that the hedged item affects this statement and is recognized as part of financial income or expenses. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred within the statement of comprehensive income and is recognized as part of financial income or expenses in the profit or loss.

(b) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge are recognized in the statement of comprehensive income as a component of the profit or loss in financial income or expenses together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(c) Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the following conditions are met:

(i) the economic characteristics and risks of the host contract and the embedded derivative are not closely related;

(ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(iii) the combined instrument is not measured at fair value through profit or loss.

At the time of initial recognition of the embedded derivative an equal adjustment is also recognized against the host contract. The adjustment against the host contract is amortized over the remaining life of the host contract using the effective interest method.

Any embedded derivatives that are separated are measured at fair value with changes in fair value recognized through net financial expenses in the statement of comprehensive income as a component of the profit or loss.

3.5 Inventories

(a) Raw materials, work in progress and finished goods

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(b) Engineering and maintenance materials

Engineering and maintenance materials (representing either critical or long order components) are measured at the lower of cost and net realizable value. The cost of these inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is determined with reference to the cost of replacement of such items in the ordinary course of business compared to the current market prices.

3.6 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition (refer to note 3.1(a)). The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(b) Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use. Assets under construction are not depreciated but tested for impairment at least annually or when there is an indication of impairment.

(c) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its carrying value at the date of transfer.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalized until such time as the assets are substantially ready for their intended use. The interest rate used equates to the effective interest rate on debt where general borrowings are used or the relevant interest rate where specific borrowings are used to finance the construction.

(e) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of the profit or loss using a method that reflects the pattern in which the economic benefits embodied within the asset are consumed. Generally this is on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

- Buildings — 20 to 50 years
- Plant and equipment — 3 to 25 years
- Furniture and fittings — 3 to 20 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the net carrying amount of the asset.

3.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost less accumulated depreciation and impairment losses (if any). Investment properties are depreciated on a straight-line basis over 30 to 40 years.

3.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) The Group as lessor – finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases.

(b) The Group as lessee – finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted for in accordance with the accounting policy described in note 3.3(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and business operations and is recognized at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognized.

If the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree, the excess is recognized immediately in the statement of comprehensive income as a component of the profit or loss as a bargain purchase gain.

Goodwill is measured at cost less accumulated impairment losses (if any) and is tested at least annually for impairment. Goodwill is not amortized and is allocated to the lowest level within the Group at which goodwill is monitored for internal reporting for the purpose of impairment testing. The allocation is made to the operations that are expected to benefit from the business combination in which the goodwill arose after the allocation of purchase consideration is finalized.

In respect of joint ventures and investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.

(b) Trademarks

Trademarks are measured at cost less accumulated amortization and impairment losses (if any) with the exception of the SIG Combibloc, Reynolds, Hefty and Pactiv trade names which are recognized at cost less accumulated impairment losses (if any). These trade names are considered indefinite life assets as they represent the value accumulated in the brand, which is expected to continue indefinitely into the future. Trademarks are tested at least annually for impairment.

(c) Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers. These relationships are recognized at cost and amortized using the straight-line method over the estimated remaining useful lives of the relationships, which are based on customer attrition rates and projected cash flows.

(d) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

Intangible assets arising from development activities are measured at cost less accumulated amortization and accumulated impairment losses (if any).

(e) Other intangible assets

Other intangible assets comprise permits, software, technology, patents and rights to supply. Other intangible assets that have finite useful lives are carried at cost less accumulated amortization and impairment losses (if any). Other intangible assets that have indefinite useful lives are carried at costs less impairment losses (if any).

(f) Subsequent expenditure

Subsequent expenditure in respect of intangible assets is capitalized only when the expenditure increases the future economic benefits embodied in the specific asset to which the expenditure relates and it can be reliably measured. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

(g) Amortization

Amortization is recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life intangibles, from the date that the intangible assets are available for use.

The estimated useful lives for the material classes of intangible assets are as follows:

• Software/technology	3 to 15 years
• Patents	5 to 14 years
• Rights to supply	up to a maximum of 6 years
• Customer relationships	6 to 25 years
• Trademarks	15 years

3.10

3.10 Impairment

The carrying amounts of the Group's assets are reviewed regularly and at least annually to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognized in the statement of comprehensive income as a component of the profit or loss.

(a) Impairment of loans and receivables

The recoverable amount of the Group's loans and receivables carried at amortized cost is calculated with reference to the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the date of initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments' exposures. For trade receivables which are not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as default or delinquency in respect of interest or principal repayment; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets, including goodwill and indefinite intangible assets, are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the statement of comprehensive income as a component of the profit or loss. Impairment losses recognized in respect of a segment are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In assessing the fair value less cost to sell, the forecasted future EBITDA to be generated by the asset or segment being assessed is multiplied by a relevant market indexed multiple.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's revised carrying amount will not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.11 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit plan assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.12 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee's service in the current and prior periods. The Group's contributions are recognized in the statement of comprehensive income as a component of the profit or loss as and when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods. These benefits are then discounted to determine the present value of the Group's obligations and are then adjusted for the impact of any unrecognized past service costs. The Group's net obligation is then determined with reference to the fair value of the plan assets (if any). The discount rate used is the yield on bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculations are performed by qualified actuaries using the projected unit credit method.

Past service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss, unless the changes to the plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortized on a straight-line basis over the vesting period.

To the extent that any cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized in the statement of comprehensive income as a component of the profit or loss.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

In certain jurisdictions the Group sponsors a number of defined benefit medical plans which it offers to certain existing employees and retirees. Typically these plans are unfunded and define a level of medical care that the individual will receive.

The Group's net obligation is calculated separately for each plan by estimating the current and future use of these services by eligible employees, the current and expected future medical costs associated with such services which are discounted to determine their present value and any unrecognized past service costs. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculations are performed by qualified actuaries using the projected unit credit method with the use of mortality tables published by government agencies.

Past-service costs are recognized immediately in the statement of comprehensive income as a component of the profit or loss unless changes to a plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past-service costs are amortized on a straight-line basis over the vesting period.

(d) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans and post-employment medical plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine the present value of the Group's obligation. The discount rate used is the yield on bonds that are denominated in the currency and jurisdiction in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by qualified actuaries using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of comprehensive income as a component of the profit or loss in the period in which they arise.

(e) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(f) Incentive compensation plans

The Group recognizes a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognizes a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees.

3.13 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision for the passage of time is recognized as a component of financial expense in the statement of comprehensive income as a component of the profit or loss.

(a) Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(b) Business closure and rationalization

A provision for business closure and rationalization is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

3.14 Self-insured employee obligations

(a) Self-insured workers' compensation

The Group is self-insured in respect of its workers' compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2010, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2010, there were a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group's historical claims) relating to these claims are included in trade and other payables.

3.15 Dividends

Dividends to the Group's shareholder are recognized as a liability in the Group's financial statements in the period in which the dividends are declared.

3.16 Share capital

Common stock and ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.17 Revenue

(a) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, volume rebates and other customer incentives. Revenue is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(b) Aseptic filling machines sales contracts

The Group's SIG Combibloc segment provides an integrated filling supply system which involves the provision of filling machines along with the future supply of carton sleeves. Filling machines are initially provided to customers under one of the Group's three supply models, being direct sales, direct lease or through the sale to a third party (usually a financing entity) who then on-leases the machine to the customer. As the Group's filling machines are presently configured to utilize only SIG Combibloc manufactured carton sleeves, the supply of these machines must be accompanied with a carton sleeve supply agreement which usually has an initial term limited to six years. On the initial sale of the filling machine the difference between the sale price and the cost of the machine is deferred to the statement of financial position and subsequently amortized over the life of the underlying contract.

(c) Sale of real estate

Revenue from the sale of real estate is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing involvement with the property.

Transfer of risks and rewards generally occurs when legal title is transferred to the buyer.

(d) Services

Revenue from services rendered is recognized in the statement of comprehensive income as a component of the profit or loss in proportion to the stage of completion of the transaction at the reporting date.

(e) Royalty income

Royalties are recognized on an accrual basis in accordance with the underlying royalty agreements.

(f) Lease income

Payments received under finance leases are apportioned between finance income and the reduction of the outstanding receivable balance. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.18 Lease payments

Minimum lease payments made under finance leases are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges which are recognized in the statement of comprehensive income as a component of the profit or loss are allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for in the periods in which the payments are incurred.

Payments made under operating leases are recognized in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognized as an expense in the period in which the payments are incurred.

In the event that lease incentives are received to enter into an operating lease, such incentives are deferred and recognized as a liability. The aggregated benefits of the lease incentives are recognized as a reduction to the lease expenses on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.19 Financial income and expenses

Financial income comprises interest income, foreign currency gains, and gains on derivative financial instruments in respect of financing activities that are recognized in the statement of comprehensive income as a component of the profit or loss. Interest income is recognized as it accrues using the effective interest method.

Financial expenses comprise interest expense, foreign currency losses, impairment losses recognized on financial assets (except for trade receivables) and losses in respect of financing activities on derivative instruments that are recognized in the statement of comprehensive income as a component of the profit or loss. All borrowing costs not qualifying for capitalization are recognized in the statement of comprehensive income as a component of the profit or loss.

3.20 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income as a component of the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized with the associated items on a net basis.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized. Deferred income tax assets and liabilities in the same jurisdiction are off-set in the statement of financial position only to the extent that there is a legally enforceable right to off-set current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realized simultaneously.

3.21 Sales tax, value added tax and goods and services tax

All amounts (including cash flows) are shown exclusive of sales tax, value added tax (“VAT”) and goods and services tax (“GST”) to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax, VAT and GST.

3.22 Discontinued operations

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operation that has been disposed of or is held for sale, or is a subsidiary or business acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.23 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2010

The following interpretations and standards which have not previously been early adopted were mandatory for the Group effective for the period ended December 31, 2010:

- IAS 1 “Amendment – Presentation of financial statements” (effective for financial reporting periods commencing on or after January 1, 2010).
- IFRIC 14 “Amendments to IFRIC 14 IAS 19 – The limit on a Defined Benefit Assets, minimum funding requirement and their Interaction” (effective for reporting periods beginning on or after February 1, 2009).
- IAS 27 “Consolidated and Separate Financial Statements” (effective for financial reporting periods commencing on or after July 1, 2009). This amendment changes certain aspects of the measurement criteria for non-controlling (previously minority) interests and deals primarily with the accounting for the change in ownership interest in subsidiaries after control is obtained, for the loss of control of subsidiaries, and the allocation of profit or loss to controlling and non-controlling interests in a subsidiary. Refer to note 3.1(a). In adopting this amendment, the Group cannot identify fully the prospective impact of these changes as the impact can only be determined on a transaction by transaction basis.
- IFRS 3 “Business Combinations (revised)” (effective for financial reporting periods commencing on or after July 1, 2009). This revision to the standard requires all business combinations completed on or after January 1, 2010 to be measured in accordance with the acquisition method of accounting (previously the purchase method of accounting) while limiting the recognition of certain assets and liabilities associated with an acquisition, once the measurement period has expired. In addition, all transaction costs are required to be expensed as incurred. As previously reported, the impact of this revision may be material to the Group’s earnings but can only be determined on an acquisition by acquisition basis. Refer to note 3.1(a).
- IAS 39 “Amendment Embedded Derivatives” (effective for financial reporting periods commencing on or after July 1, 2010.) This amendment deals with the reassessment of an embedded derivative on reclassification of a hybrid instrument out of the fair value through profit or loss category.
- Annual Improvements Process – Other Amendments (effective for financial reporting periods commencing on or after January 1, 2010).

(b) Early adoption of new standards, interpretations and amendments

The Group has not elected during the period to adopt any new standards, interpretations and amendments to existing standards in advance of their effective dates.

(c) New standards, interpretations and amendments previously early adopted

The Group has previously elected to early adopt the following standards, interpretations and amendments to existing standards in advance of their effective dates:

- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items" (effective for reporting periods beginning on or after July 1, 2010).
- IFRIC 9 "IAS 39 "Financial Instruments: Recognition and Measurement - Reassessment of Embedded Derivatives (Amendment)" (effective from July 1, 2009).
- IFRIC 18 "Transfer of Assets from Customers" (effective from July 1, 2009).

(d) Amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following amendments and interpretations to existing standards are not yet effective for the period ended December 31, 2010, and have not been applied in preparing these financial statements:

- IFRS 9 "Financial Instruments" (effective for financial reporting periods commencing on or after January 1, 2013).
- IFRIC 19 "Extinguishment of financial liabilities with equity instruments" (effective for reporting periods beginning on or after February 1, 2010).
- IAS 24 Amendment "Related Party Disclosures" (effective for financial reporting periods commencing on or after January 1, 2011).
- IAS 32 "Financial Instruments: Presentation - Classification of Rights Issues" (effective for financial reporting periods commencing on or after February 1, 2010).
- Improvements to various IFRSs 2010 – various standards (effective for financial reporting periods commencing on or after July 1, 2010 and January 1, 2011).

The Directors anticipate that the above amendments and interpretations will not have a material impact on the financial statements of the Group in the period of initial application with the exception of IFRS 9 which the Group is currently evaluating.

4. Critical accounting estimates and assumptions

In the process of applying the Group's accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill and indefinite life intangible assets are impaired requires estimation of the recoverable values of the segments to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgement is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 23.

(b) Other assets

Other assets, including property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A change in the Group's intention to use certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment.

4.2 Income taxes

The Group is subject to income taxes in multiple jurisdictions which require significant judgement to be exercised in determining the Group's provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognized at the amount expected to be paid to or recovered from the taxation authorities. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.3 Realization of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs from management's estimate of future taxable income, the value of recognized deferred tax assets may be affected. Deferred tax assets have been recognized to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realized in the same jurisdiction and reporting period. Deferred tax assets have also been recognized based on management's best estimate of the recoverability of these assets against future taxable income.

4.4 Finalization of provisional acquisition accounting

Following a business combination, the Group has a period of not more than 12 months from the date of acquisition to finalize the acquisition date fair values of acquired assets and liabilities, including the valuations of identifiable intangible assets and property, plant and equipment.

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As at December 31, 2010 the amounts presented for the acquisition of Pactiv have only been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

The Group is in the process of combining Pactiv's operations into Reynolds Consumer Products and Pactiv Foodservice. As a result, as at the date of these financial statements, the CGUs within Reynolds Consumer Products and Pactiv Foodservice have not been identified.

4.5 Measurement of obligations under defined benefit plans

The Group operates a number of defined benefit pension plans. Amounts recognized under these plans are determined using actuarial methods. These actuarial valuations involve assumptions regarding long-term rates of return on pension fund assets, expected salary increases and the age of employees. These assumptions are reviewed at least annually and reflect estimates as at the measurement date.

Any change in these assumptions will impact the amounts reported in the statements of financial position, plus future net pension expense or income that may be recognized in future years.

5. Determination of fair values

A number of the Group's accounting policies and associated disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.1 Property, plant and equipment

The fair values of items of property, plant and equipment recognized as a result of a business combination are based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items where available or based on the assessment of appropriately qualified independent valuers.

5.2 Intangible assets

The fair values of patents and trademarks acquired in a business combination are based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair values of other identifiable intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5.3 Investment property

The fair values of investment property are based on active market prices adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed internally and by external valuers.

5.4 Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

5.5 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Given the short-term nature of trade receivables the carrying amount is a reasonable approximation of fair value.

5.6 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of commodity and other price derivatives is based on a valuation model. The valuation model (which includes where relevant the consideration of credit risk) discounts the estimated future cash flows based on the terms and maturity of each contract using forward curves and market interest rates at the reporting date.

5.7 Non-derivative financial liabilities

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

5.8 Pension and post-employment medical benefits

The valuation of the Group's defined benefit pension and post-employment medical plans is outlined in 3.12(a)(ii).

5.9 Fair value of borrowings acquired

The fair value of borrowings acquired in business combinations is determined using quoted market prices or agreed redemption values as at the date of acquisition.

6. Segment reporting

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segment and to assess its performance.

The Group's CODM are the officers and Directors of the Company. Information reported to the Group's CODM for the purposes of resource allocation and assessment of segment performance is focused on five business segments that exist within the Group. The Group's reportable business segments under IFRS 8 are as follows:

- SIG Combibloc - SIG Combibloc is one of the world's leading manufacturers and suppliers of a broad range of high quality aseptic carton packaging solutions. They are designed to retain the taste and nutritional value of beverages and liquid food, without the use of chemical preservatives, even when stored for months without refrigeration. Its business is the supply of aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts and closures.
- Evergreen – Evergreen is a leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk markets. Evergreen supplies integrated fresh carton packaging systems, which include fresh cartons, spouts, caps and closures, filling machines and related services. In addition, Evergreen manufactures liquid packaging board for beverage carton manufacturers and paper products for commercial printing.
- Reynolds Consumer Products – Reynolds Consumer Products is principally engaged in the manufacture and distribution of household products which are marketed under well recognized brands including Reynolds®, Hefty®, Diamond®, and Cut-Rite®. The segment also manufactures private label products under the Presto® product line, which is a leading supplier of store brand plastic storage and waste management products. Prior to the Pactiv Acquisition (see note 34), the Reynolds Consumer Products segment consisted solely of the Group's Reynolds consumer products business. The Group is in the process of combining its Reynolds consumer products business with its Hefty consumer products business.
- Closures – Closures is principally engaged in the design, manufacture and distribution of plastic and aluminum closures as well as capping systems primarily for the beverage industry globally. It also provides its customers with a full range of capping equipment and machinery as well as associated technical support and training.
- Pactiv Foodservice – Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv Acquisition (see note 34), the Pactiv Foodservice segment consisted solely of the Group's Reynolds foodservice packaging business. The Group is in the process of combining its Reynolds foodservice packaging business with its Pactiv foodservice packaging business.

The CODM does not review the business activities of the Group based on geography.

The accounting policies applied by each segment are the same as the Group's accounting policies. Results from operating activities represent the profit earned by each segment without allocation of central administrative revenue and expenses, financial income and expenses and income tax benefit (expense).

The CODM assesses the performance of the operating segments based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization adjusted to exclude certain significant items of a non-recurring or unusual nature, including but not limited to such items as restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

Inter-segment pricing is determined with reference to prevailing market prices on an arm's length basis.

Reynolds Group Holdings Limited

Notes to the financial statements
For the period ended December 31, 2010

Business segment reporting

(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total
	For the period ended December 31, 2010						
Total external revenue	1,845.8	1,580.2	1,333.6	1,166.5	847.9	-	6,774.0
Total inter-segment revenue	-	2.5	44.3	7.9	76.5	(131.2)	-
Total segment revenue	**1,845.8**	**1,582.7**	**1,377.9**	**1,174.4**	**924.4**	**(131.2)**	**6,774.0**
Gross profit	464.3	208.9	328.7	184.8	67.0	(0.1)	1,253.6
Expenses and other income	(212.9)	(66.6)	(112.5)	(88.9)	(105.1)	(12.5)	(598.5)
Share of profit of associates and joint ventures (equity method)	16.0	2.1	-	-	-	-	18.1
Earnings before interest and tax (“EBIT”)	**267.4**	**144.4**	**216.2**	**95.9**	**(38.1)**	**(12.6)**	**673.2**
Financial income							65.6
Financial expenses							(751.7)
Profit (loss) before income tax							**(12.9)**
Income tax benefit (expense)							(80.0)
Profit (loss) for the period							**(92.9)**
Earnings before interest and tax (“EBIT”)	**267.4**	**144.4**	**216.2**	**95.9**	**(38.1)**	**(12.6)**	**673.2**
Depreciation and amortization	242.9	61.8	59.5	79.4	54.3	-	497.9
Earnings before interest, tax, depreciation and amortization (“EBITDA”)	**510.3**	**206.2**	**275.7**	**175.3**	**16.2**	**(12.6)**	**1,171.1**

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Reynolds Group Holdings Limited

Notes to the financial statements
For the period ended December 31, 2010

(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total
	For the period ended December 31, 2010						
Earnings before interest, tax, depreciation and amortization ("EBITDA")	**510.3**	**206.2**	**275.7**	**175.3**	**16.2**	**(12.6)**	**1,171.1**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation	-	-	(1.6)	-	-	-	(1.6)
Asset impairment charges (reversals)	(0.8)	-	-	-	29.5	-	28.7
Black Liquor Credit	-	(10.3)	-	-	-	-	(10.3)
Business acquisition costs	-	1.5	-	1.0	-	9.5	12.0
Business closing costs (reversal)	-	(0.3)	-	-	-	-	(0.3)
Business interruption costs (recovery)	-	-	(0.3)	2.1	-	-	1.8
CSI Americas gain on acquisition	-	-		(9.8)	-	-	(9.8)
Equity method profit not distributed in cash	(12.1)	(2.1)	-	-	-	-	(14.2)
Gains on sale of businesses and investment properties	(5.5)	(2.1)	(0.2)	-	(8.3)	-	(16.1)
Impact of purchase price accounting on inventories	-	-	25.3	-	38.8	-	64.1
Impact of purchase price accounting on leases	-	-	-	-	(0.3)	-	(0.3)
Operational process engineering-related consultancy costs	-	1.8	6.4	-	-	-	8.2
Pension income	-	-	-	-	-	(5.2)	(5.2)
Related party management fees	-	0.8	-	-	-	-	0.8
Restructuring costs (recoveries)	11.4	-	(4.3)	2.6	(1.0)	-	8.7
Termination of supply agreement	-	-	-	-	7.0	-	7.0
Unrealized (gain)/loss on derivatives	(0.2)	0.8	(2.3)	(1.1)	(1.0)	-	(3.8)
VAT and custom duties on historical imports	9.8	-	-	-	-	-	9.8
Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")	**512.9**	**196.3**	**298.7**	**170.1**	**80.9**	**(8.3)**	**1,250.6**
Segment assets	**3,439.3**	**1,256.6**	**1,763.0**	**1,739.1**	**404.6**	**7,568.4**	**16,171.0**
Included in segment assets are:							
Additions to property, plant and equipment	150.9	46.8	12.9	82.3	9.8	12.0	314.7
Additions to intangible assets	13.0	-	5.3	-	-	-	18.3
Additions to investment properties	3.9	-	-	-	-	-	3.9
Investment in associates and joint ventures (equity method)	97.1	12.5	-	-	-	-	109.6
Segment liabilities	**2,073.3**	**391.9**	**1,160.5**	**1,167.1**	**196.5**	**10,914.2**	**15,903.5**

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, it includes $8,345.2 million of assets, $12.0 million of additions to property, plant and equipment, and $7,987.4 million of liabilities related to the businesses acquired in the Pactiv Acquisition that have not yet been allocated between the Reynolds Consumer Products and Pactiv Foodservice segments as at December 31, 2010 due to the proximity of the acquisition date to year end. For details see note 34. While the statement of financial position data has not been allocated, the Reynolds Consumer Products and Pactiv Foodservice segment results include the contribution from the relative Pactiv businesses for the period from November 16, 2010 to December 31, 2010.

	For the period ended December 31, 2009						
(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total
Total external revenue	1,668.1	1,429.0	1,150.5	977.2	685.2	-	5,910.0
Total inter-segment revenue	-	-	39.4	2.5	53.6	(95.5)	-
Total segment revenue	**1,668.1**	**1,429.0**	**1,189.9**	**979.7**	**738.8**	**(95.5)**	**5,910.0**
Gross profit	409.9	376.0	222.2	161.4	46.8	2.4	1,218.7
Expenses and other income	(229.3)	(85.0)	(31.3)	(79.2)	(45.1)	(2.5)	(472.4)
Share of profit of associates and joint ventures (equity method)	9.1	2.2	-	-	0.1	-	11.4
Earnings before interest and tax (“EBIT”)	**189.7**	**293.2**	**190.9**	**82.2**	**1.8**	**(0.1)**	**757.7**
Financial income							20.9
Financial expenses							(513.2)
Profit (loss) before income tax							**265.4**
Income tax benefit (expense)							(148.7)
Profit (loss) for the period							**116.7**
Earnings before interest and tax (“EBIT”)	**189.7**	**293.2**	**190.9**	**82.2**	**1.8**	(0.1)	**757.7**
Depreciation and amortization	250.2	63.7	63.4	72.7	51.7	-	501.7
Earnings before interest, tax, depreciation and amortization (“EBITDA”)	**439.9**	**356.9**	**254.3**	**154.9**	**53.5**	**(0.1)**	**1,259.4**

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total
	For the period ended December 31, 2009						
Earnings before interest, tax, depreciation and amortization (“EBITDA”)	**439.9**	**356.9**	**254.3**	**154.9**	**53.5**	**(0.1)**	**1,259.4**
Included in EBITDA:							
Asset impairment charges	5.9	6.1	0.3	-	0.6	-	12.9
Black Liquor Credit	-	(214.1)	-	-	-	-	(214.1)
Costs related to business acquisitions	-	1.2	-	-	-	-	1.2
Elimination of the effect of historical Reynolds Consumer hedging policy	-	-	90.8	-	4.5	-	95.3
Equity method profit not distributed in cash	(7.7)	(2.2)	-	-	(0.1)	-	(10.0)
Inventory write-off arising on restructure	-	-	-	-	5.3	-	5.3
Korean insurance claim	-	(2.0)	-	-	-	-	(2.0)
Loss on sale of Baco assets	-	-	1.2	-	-	-	1.2
Operational process engineering-related consultancy costs	-	13.2	-	-	-	-	13.2
Manufacturing plant flood impact	-	-	5.2	-	-	-	5.2
Plant realignment costs	-	-	2.1	-	-	-	2.1
Related party management fees	-	2.5	-	-	-	-	2.5
Restructuring costs	37.5	2.9	4.8	3.0	9.6	0.1	57.9
Transition costs	-	-	23.6	-	-	-	23.6
Unrealized gains on derivatives	(4.3)	-	(101.9)	(9.8)	(13.0)	-	(129.0)
VAT and custom duties on historical imports	3.5	-	-	-	-	-	3.5
Write down of assets held for sale	-	0.7	-	-	-	-	0.7
Write off of receivables related to sale of Venezuela operations	-	1.4	-	-	-	-	1.4
Adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”)	**474.8**	**166.6**	**280.4**	**148.1**	**60.4**	**-**	**1,130.3**
Segment assets	**4,024.6**	**1,316.2**	**1,669.6**	**1,431.7**	**511.7**	**(1,192.3)**	**7,761.5**
Included in segment assets are:							
Additions to property, plant and equipment	77.4	61.0	31.0	68.5	4.2	-	242.1
Additions to intangible assets	20.9	2.0	22.5	-	2.7	-	48.1
Additions to investment property	2.2	-	-	-	-	-	2.2
Investment in associates and joint ventures (equity method)	90.1	10.3	-	-	3.4	-	103.8
Segment liabilities	**1,255.0**	**1,034.0**	**1,158.2**	**970.4**	**266.6**	**1,973.9**	**6,658.1**

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

	For the period ended December 31, 2008								
(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total continuing operations	Discontinued operations- SIG Beverages	Total
Total external revenue	1,747.3	1,505.5	1,151.9	855.8	752.3	-	6,012.8	50.6	6,063.4
Total inter-segment revenue	-	-	64.1	-	80.5	(144.6)	-	-	-
Total segment revenue	**1,747.3**	**1,505.5**	**1,216.0**	**855.8**	**832.8**	**(144.6)**	**6,012.8**	**50.6**	**6,063.4**
Gross profit	339.9	105.9	143.9	101.6	15.4	(3.1)	703.6	17.2	720.8
Expenses and other income	(212.7)	(56.0)	(281.6)	(80.3)	(83.6)	(1.4)	(715.6)	(10.2)	(725.8)
Share of profit of associates and joint ventures (equity method)	4.9	1.0	-	-	0.4	-	6.3	-	6.3
Earnings before interest and tax (“EBIT”)	**132.1**	**50.9**	**(137.7)**	**21.3**	**(67.8)**	**(4.5)**	**(5.7)**	**7.0**	**1.3**
Financial income							164.5	0.3	164.8
Financial expenses							(408.8)	-	(408.8)
Profit (loss) before income tax							**(250.0)**	**7.3**	**(242.7)**
Income tax benefit (expense)							63.1	(1.0)	62.1
Profit (loss) for the period before gain on disposal							**(186.9)**	**6.3**	**(180.6)**
Gain on disposal of discontinued operations								37.7	37.7
Profit (loss) for the period									**(142.9)**
Earnings before interest and tax (“EBIT”)	**132.1**	**50.9**	**(137.7)**	**21.3**	**(67.8)**	(4.5)	**(5.7)**		
Depreciation and amortization	265.5	60.3	52.5	56.3	41.8	-	476.4		
Earnings before interest, tax, depreciation and amortization (“EBITDA”)	**397.6**	**111.2**	**(85.2)**	**77.6**	**(26.0)**	**(4.5)**	**470.7**		

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

(In $ million)	SIG Combibloc	Evergreen	Reynolds Consumer Products	Closures	Pactiv Foodservice	Corporate / unallocated *	Total continuing operations
	For the period ended December 31, 2008						
Earnings before interest, tax, depreciation and amortization (“EBITDA”)	**397.6**	**111.2**	**(85.2)**	**77.6**	**(26.0)**	**(4.5)**	**470.7**
Included in EBITDA:							
Elimination of the effect of historical Reynolds Consumer hedging policy	-	-	3.7	-	0.5	-	4.2
Equity method profit not distributed in cash	(4.9)	(1.0)	-	-	(0.4)	-	(6.3)
Gain on sale of non-current assets	(1.9)	-	-	-	-	-	(1.9)
Impact of purchase price accounting on inventories	-	-	17.3	8.9	4.3	-	30.5
Realized losses on derivatives novated with related party	-	-	32.8	-	-	-	32.8
Related party management fees	-	3.4	-	-	-	-	3.4
Restructuring costs	14.1	3.9	32.6	9.5	18.8	-	78.9
Transition costs	-	1.7	7.1	1.4	-	-	10.2
Unrealized losses on derivatives	7.8	-	130.8	9.3	12.2	-	160.1
VAT and custom duties on historical imports	2.2	-	-	-	-	-	2.2
Adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”)	**414.9**	**119.2**	**139.1**	**106.7**	**9.4**	**(4.5)**	**784.8**
Segment assets	**4,327.5**	**1,228.7**	**1,713.5**	**1,387.1**	**531.4**	**(1,262.0)**	**7,926.2**
Included in segment assets are:							
Additions to property, plant and equipment	117.6	59.0	35.0	38.5	12.5	-	262.6
Additions to intangible assets	26.8	4.5	-	-	-	-	31.3
Investment in associates and joint ventures (equity method)	81.4	8.1	-	-	3.1	-	92.6
Segment liabilities	**1,372.2**	**1,115.2**	**1,524.7**	**978.9**	**299.6**	**1,609.2**	**6,899.8**

* Corporate / unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments.

Information about geographic area

The Group's revenue from external customers and information about its segment assets (total non-current assets excluding financial instruments, non-current receivables, deferred tax assets and post-employment benefit assets) by geographical origin are detailed below. In presenting information on a geographical basis, revenue and assets have been based in the location of the business operations:

(In $ million)	North America	Europe	Asia	South America	Other *	Total continuing operations
Total external revenue						
For the period ended December 31, 2010	4,127.1	1,498.7	759.3	291.7	97.2	6,774.0
For the period ended December 31, 2009	3,508.6	1,483.3	655.5	249.3	13.3	5,910.0
For the period ended December 31, 2008	3,580.6	1,644.6	546.1	229.4	12.1	6,012.8
Non-current assets						
As at December 31, 2010	9,635.6	1,770.7	855.4	122.1	59.5	12,443.3
As at December 31, 2009	2,612.6	1,766.9	768.9	135.6	15.8	5,299.8
As at December 31, 2008	2,719.2	1,861.4	780.5	123.0	16.3	5,500.4

* Revenue from external customers in New Zealand, the country where the Company is domiciled, was $63.1 million for the period ended December 31, 2010 (2009: nil; 2008: nil).

The preliminary values of the non-current assets recognized from the Pactiv Acquisition (refer to note 34) are their estimated fair values. The fair values of the assets have been determined on a provisional basis, reflecting the proximity of the acquisition to year end and the issuance of these financial statements.

Information about major customers

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group's revenue.

7. Discontinued operations

On April 2, 2008 the Group completed the sale of the SIG Beverages operations. As a result of this, the SIG Beverages segment has been disclosed as a discontinued operation.

	For the period ended December 31		
(In $ million)	**2010**	**2009**	**2008**
Results of discontinued operations			
Revenue	-	-	50.6
Cost of sales	-	-	(33.4)
Gross profit	-	-	17.2
Expenses	-	-	(10.2)
Profit from operating activities	-	-	7.0
Net financial income	-	-	0.3
Income tax expense	-	-	(1.0)
Profit from operating activities, net of income tax	-	-	6.3
Gain on sale of discontinued operations	-	-	61.2
Income tax on gain on sale of discontinued operation	-	-	(23.5)
Profit for the period	**-**	**-**	**44.0**
Cash flows from discontinued operations			
Net cash from (used in) operating activities	-	-	(24.9)
Net cash from (used in) financing activities	-	-	(1.0)
Net cash from (used in) investing activities	-	-	21.6
Net cash from (used in) discontinued operations	**-**	**-**	**(4.3)**

The disposal had the following effect on the Group's assets and liabilities at their disposal date (April 2, 2008):

(In $ million)	**2010**	**2009**	**2008**
Cash and cash equivalents	-	-	(7.0)
Trade and other receivables	-	-	(58.7)
Inventories	-	-	(56.6)
Deferred tax assets	-	-	(1.7)
Property, plant and equipment	-	-	(35.3)
Intangible assets (excluding goodwill)	-	-	(62.2)
Goodwill	-	-	(35.3)
Trade and other payables	-	-	74.6
Borrowings	-	-	11.2
Deferred tax liabilities	-	-	13.7
Provisions	-	-	15.4
Impact of amounts recycled from translation of foreign operations	-	-	(4.5)
	-	**-**	**(146.4)**
Gain on disposal	-	**-**	**37.7**
Consideration received, satisfied in cash	-	-	184.1
Cash disposed of	-	-	(7.0)
Net cash inflow	**-**	**-**	**177.1**

8. Revenue

	For the period ended December 31		
(In $ million)	**2010**	**2009**	**2008**
Sale of goods	6,691.6	5,844.7	5,948.8
Services	82.4	65.3	64.0
Total revenue	**6,774.0**	**5,910.0**	**6,012.8**

9. Other income

(In $ million)	Note	For the period ended December 31 2010	2009	2008
Adjustment related to settlement of a lease obligation		1.6	-	-
CSI Americas gain on acquisition	34	9.8	-	-
Gain on sale of businesses and investment properties		16.1	-	-
Gain on sale of other non-current assets		4.6	3.9	0.5
Government export incentive		-	0.6	-
Income from facility management		10.6	15.2	23.8
Income from miscellaneous services		8.0	10.9	14.6
Insurance claims		0.4	3.9	-
Management fees received		2.2	-	-
Net foreign currency exchange gain		-	-	4.9
Rental income from investment properties		6.4	4.7	12.4
Royalty income		2.2	1.6	0.5
Sale of by-products		25.2	18.3	28.1
Unrealized gains on derivatives		3.8	129.0	-
Other		11.2	12.9	8.8
Total other income		**102.1**	**201.0**	**93.6**

10. Auditors' remuneration

(In $ million)	For the period ended December 31 2010	2009	2008
Auditor's remuneration to Pricew aterhouseCoopers, comprising:			
Audit fees	(11.3)	(6.6)	(3.2)
Other audit related fees (a)	(5.4)	(4.7)	(0.4)
Tax fees (b)	(0.6)	(12.1)	-
Auditor's remuneration to Deloitte & Touche, LLP, comprising:			
Audit fees	(0.2)	-	(1.4)
Other audit related fees	(0.8)	-	(0.4)
Tax fees	-	(0.4)	-
Total auditors' remuneration	**(18.3)**	**(23.8)**	**(5.4)**

(a) Other audit related fees include services for the audit or review of financial information other than year end or interim financial statements (including audits of carve out financial statements for debt refinancing and covenant reporting under bank facilities).

(b) In 2009 $12.1 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits (refer to note 19). These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

11. Other expenses

(In $ million)	Note	For the period ended December 31 2010	2009	2008
Asset impairment charges on property, plant and equipment, intangible assets and investment properties		(28.7)	(10.7)	-
Asset impairment charges - other assets		-	(2.2)	-
Business acquisition costs		(12.0)	-	-
Business interruption costs		(2.1)	-	-
Loss on disposal of property, plant and equipment		-	-	(0.9)
Loss on sale of Baco assets		-	(1.2)	-
Net foreign currency exchange loss		(2.7)	(3.3)	-
Operational process engineering-related consultancy costs		(8.2)	(13.2)	-
Related party management fees	31	(0.8)	(2.5)	(3.4)
Restructuring costs		(8.7)	(57.9)	(78.9)
Termination of supply agreement		(7.0)	-	-
Unrealized losses on derivatives		-	-	(160.1)
VAT and customs duties on historical imports		(9.8)	(3.5)	(2.2)
Other		-	(1.4)	(0.9)
Total other expenses		**(80.0)**	**(95.9)**	**(246.4)**

12. Personnel expenses

The employee benefit expense recognized in the statements of comprehensive income is $1,228.9 million for the period ended December 31, 2010 (2009: $1,167.4 million; 2008: $1,097.8 million). Employee benefit expense includes short-term employee benefits, post-employment benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 27.

13. Financial income and expenses

		For the period ended December 31		
(In $ million)	**Note**	**2010**	**2009**	**2008**
Interest income		5.1	5.7	9.1
Interest income on related party loans	31	16.8	13.0	20.4
Net change in fair values of derivatives		43.7	2.2	-
Net foreign currency exchange gain		-	-	135.0
Financial income		**65.6**	**20.9**	**164.5**
Interest expense				
2009 Credit Agreement		(135.0)	(13.0)	-
October 2010 Notes		(50.4)	-	-
May 2010 Notes		(55.8)	-	-
2009 Notes		(133.9)	(20.2)	-
2007 Notes		(104.0)	(109.8)	(115.2)
Pactiv 2012 Notes		(1.6)	-	-
Pactiv 2017 Notes		(3.0)	-	-
Pactiv 2018 Notes		(0.1)	-	-
Pactiv 2025 Notes		(2.7)	-	-
Pactiv 2027 Notes		(2.1)	-	-
2008 Reynolds Senior Credit Facilities		-	(65.8)	(77.0)
2007 SIG Senior Credit Facilities		-	(47.1)	(52.7)
CHH Facility		(7.6)	(21.8)	(57.2)
Blue Ridge Facility		-	(1.5)	(2.2)
Related party borrowings	31	-	(25.6)	(55.4)
Amortization of:				
Debt issue costs				
2009 Credit Agreement		(10.0)	(0.9)	-
October 2010 Notes		(2.1)	-	-
May 2010 Notes		(1.5)	-	-
2009 Notes		(8.7)	(1.2)	-
2007 Notes		(3.7)	(3.7)	(3.8)
2008 Reynolds Senior Credit Facilities		-	(19.0)	(18.4)
2007 SIG Senior Credit Facilities		-	(2.6)	(6.0)
CHH Facility		(0.4)	(1.2)	(1.2)
Fair value adjustment of Pactiv Notes		1.1	-	-
Original issue discounts		(6.1)	(0.9)	-
Embedded derivatives		2.8	0.3	-
Unamortized debt issue costs written off		-	(36.2)	-
2009 Credit Agreement amendment fees		(11.8)	-	-
2010 debt commitment letter and related costs		(97.5)	-	-
Write down of securities to market value		-	-	(1.8)
Net foreign currency exchange loss		(103.0)	(133.8)	-
Other		(14.6)	(9.2)	(17.9)
Financial expenses		**(751.7)**	**(513.2)**	**(408.8)**
Net financial expenses		**(686.1)**	**(492.3)**	**(244.3)**

The 2010 debt commitment letter was initially for an amount up to $5.0 billion, subject to certain conditions and adjustments, and resulted in the Group incurring $97.5 million of fees. The proceeds from the issuance of the October 2010 Notes and drawings under the 2009 Credit Agreement were used to partially finance the Pactiv Acquisition (refer to note 34). As the commitments under the 2010 debt commitment letter were not utilized, the Group expensed the fees of $97.5 million.

Refer to note 26 for information on the Group's borrowings.

14. Income tax

(In $ million)	2010	2009	2008
	For the period ended December 31		
Current tax expense			
Current period	(119.9)	(116.2)	(46.2)
Adjustment for prior periods	(0.2)	(1.6)	(4.4)
	(120.1)	**(117.8)**	**(50.6)**
Deferred tax (expense) benefit			
Origination and reversal of temporary differences	33.7	(40.4)	91.6
Tax rate modifications	(0.2)	(3.6)	10.6
Recognition of previously unrecognized tax losses and temporary differences	6.2	12.1	11.5
Adjustments for prior periods	0.4	1.0	-
	40.1	**(30.9)**	**113.7**
Income tax benefit (expense)	**(80.0)**	**(148.7)**	**63.1**
Income tax benefit (expense) from continuing operations	(80.0)	(148.7)	63.1
Income tax benefit (expense) from discontinued operations	-	-	(24.5)
Income tax benefit (expense)	**(80.0)**	**(148.7)**	**38.6**

14.1 Reconciliation of effective tax rate

(In $ million)	2010	2009	2008
	For the period ended December 31		
Profit (loss) before income tax	**(12.9)**	**265.4**	**(250.0)**
Income tax using the Company's domestic tax rate of 30% (2009: 30%; 2008: 30%)	**3.9**	**(79.6)**	**75.0**
Effect of tax rates in foreign jurisdictions	(8.2)	28.5	(11.5)
Non-deductible expenses	(32.0)	(3.9)	(7.8)
Tax exempt income and income at a reduced tax rate	10.4	4.4	37.1
Cellulosic biofuel credits	29.3	-	-
United States manufacturing deduction	-	2.2	-
Controlled foreign corporation income tax ("CFC")	(10.8)	(16.9)	17.8
Tax rate modifications[(a)]	(0.2)	(3.6)	10.6
Benefit of tax losses recognized	-	9.3	-
Effect of tax rates in state and local tax	(5.3)	(12.6)	9.4
Recognition of previously unrecognized tax losses and temporary differences	6.2	12.1	11.5
Unrecognized tax losses and temporary differences	(61.5)	(82.2)	(74.8)
Withholding tax	(9.8)	(3.1)	-
Other	(2.2)	(2.7)	0.2
(Under) over provided in prior periods	0.2	(0.6)	(4.4)
Total current period income tax (expense) benefit	**(80.0)**	**(148.7)**	**63.1**

Effective from January 1, 2008 SIG Technology Ltd, a subsidiary of the Group, was granted the status as a "Mixed Company" under Swiss tax law resulting in an effective tax rate of 10% in 2008.

15. Other comprehensive income

(In $ million)	2010		2009		2008	
	For the period ended December 31					
	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect	Pre-Tax	Tax Effect
Exchange difference on translating foreign operations	292.4	-	(28.3)	-	113.8	-
Cash flow hedges	-	-	18.7	(7.2)	(12.9)	5.2
Total other comprehensive income	**292.4**	**-**	**(9.6)**	**(7.2)**	**100.9**	**5.2**

During the period ended December 31, 2010 the Group transferred $48.9 million (2009: nil) of foreign currency translation reserves which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2010 the Group transferred nil (2009: $11.5 million) in respect of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

16. Cash and cash equivalents

	As at December 31	
(In $ million)	**2010**	**2009**
Cash at bank and on hand	592.0	513.2
Short-term deposits	71.8	2.3
Total cash and cash equivalents	**663.8**	**515.5**

17. Trade and other receivables

	As at December 31	
(In $ million)	**2010**	**2009**
Trade receivables	977.3	515.5
Provision for doubtful debts	(22.0)	(21.9)
	955.3	**493.6**
Related party receivables (refer to note 31)	41.0	51.6
Other receivables	153.9	137.9
Total current trade and other receivables	**1,150.2**	**683.1**
Related party receivables (refer to note 31)	255.5	297.6
Other receivables	47.6	42.2
Total non-current receivables	**303.1**	**339.8**

17.1 Movement in provision for doubtful debts

	As at December 31	
(In $ million)	**2010**	**2009**
Balance at the beginning of the period	(21.9)	(24.5)
Doubtful debts charge recognized	(8.5)	(4.0)
Doubtful debts provision applied against trade receivable balance	6.4	4.1
Reversal of doubtful debts charges previously recognized	1.6	2.6
Effect of exchange rate fluctuations	0.4	(0.1)
Balance at the end of the period	**(22.0)**	**(21.9)**

The doubtful debts charge recognized of $8.5 million (2009: $4.0 million) relates to increases required as a result of management's review of the trade receivable balances.

17.2 Balances net of provision for doubtful debts

	As at December 31	
(In $ million)	**2010**	**2009**
Aging of trade receivables at reporting date		
Current	842.4	425.3
Past due 0 to 30 days	91.2	39.0
Past due 31 days to 60 days	6.1	11.6
Past due 61 days to 90 days	2.0	4.2
More than 91 days	13.6	13.5
Balance at the end of the period	**955.3**	**493.6**

The individual operating divisions within the Group have reviewed their respective past due trade receivable balances on either an individual or collective basis in conjunction with their current level of credit insurance, where applicable. Based on past experience, the Group believes that no further allowance for doubtful debts other than that recognized is necessary.

18. Assets and liabilities held for sale

	As at December 31	
(In $ million)	**2010**	**2009**
Property, plant and equipment	17.8	33.7
Total assets held for sale	**17.8**	**33.7**

Property, plant and equipment

On May 31, 2008, the Evergreen segment elected to make available for sale certain items of property, plant and equipment associated with its Richmond, Virginia facility. During the period ended December 31, 2010 the Group finalized the sale of these assets (with nil impairment charges).

During the period ended December 31, 2009, the Pactiv Foodservice segment announced separate plans to dispose of the property, plant and equipment associated with its now closed Richmond and Downingtown facilities in the United States. At the time of making this election the assets associated with these facilities were re-classified to available for sale (with nil impairment charges). During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility (with no additional impairment charges) and recorded impairment charges of $7.0 million on the Richmond facility. Efforts to dispose of the remaining assets are currently progressing and are expected to be finalized by December 31, 2011.

19. Inventories

	As at December 31	
(In $ million)	**2010**	**2009**
Raw materials and consumables	378.8	234.9
Work in progress	167.0	104.5
Finished goods	646.0	393.8
Engineering and maintenance materials	145.7	69.9
Provision against inventories	(56.9)	(47.5)
Total inventories	**1,280.6**	**755.6**

During the period ended December 31, 2010 the write-down of inventories to net realizable value amounted to $2.7 million (2009: $9.5 million; 2008: $3.1 million). The reversal of write downs during 2010 was $2.1 million (2009: nil; 2008: $0.5 million). The write downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment), had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214.1 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10.3 million in its cost of sales, being the claim value net of applicable expenses.

20. Property, plant and equipment

(In $ million)	Land	Buildings, plant and equipment	Capital work in progress	Leased assets lessor	Finance leased assets	Total
As at December 31, 2010						
Cost	219.3	3,447.3	200.8	267.9	28.2	4,163.5
Accumulated depreciation	-	(765.1)	-	(114.2)	(2.0)	(881.3)
Accumulated impairment losses	-	(7.6)	-	-	-	(7.6)
Carrying amount at December 31, 2010	**219.3**	**2,674.6**	**200.8**	**153.7**	**26.2**	**3,274.6**
As at December 31, 2009						
Cost	124.1	2,074.2	80.2	203.8	4.6	2,486.9
Accumulated depreciation	-	(561.8)	-	(94.0)	(1.3)	(657.1)
Accumulated impairment losses	-	(4.8)	-	-	-	(4.8)
Carrying amount at December 31, 2009	**124.1**	**1,507.6**	**80.2**	**109.8**	**3.3**	**1,825.0**
Carrying amount at January 1, 2010	**124.1**	**1,507.6**	**80.2**	**109.8**	**3.3**	**1,825.0**
Acquisition through business combinations	83.7	1,276.9	63.8	-	24.2	1,448.6
Additions	10.4	47.0	222.5	70.8	-	350.7
Capitalization of borrowing costs	-	-	0.7	-	-	0.7
Disposals	(2.3)	(24.4)	(0.2)	(3.4)	-	(30.3)
Depreciation for the period	-	(267.5)	-	(45.7)	(0.5)	(313.7)
Impairment losses	-	(7.6)	-	-	-	(7.6)
Transfers to assets held for sale	-	(1.0)	-	-	-	(1.0)
Transfers to intangibles	-	(3.3)	-	-	-	(3.3)
Other transfers	-	151.4	(167.8)	16.7	(0.3)	-
Effect of movements in exchange rates	3.4	(4.5)	1.6	5.5	(0.5)	5.5
Carrying amount at December 31, 2010	**219.3**	**2,674.6**	**200.8**	**153.7**	**26.2**	**3,274.6**
Cost at January 1, 2009	141.0	1,843.0	133.5	153.8	0.7	2,272.0
Accumulated depreciation and impairment losses at the beginning of the period	-	(286.2)	-	(46.1)	(0.2)	(332.5)
Carrying amount at January 1, 2009	141.0	1,556.8	133.5	107.7	0.5	1,939.5
Additions	-	26.0	178.2	34.8	3.1	242.1
Capitalization of borrowing costs	-	3.1	0.1	-	-	3.2
Disposals	(0.3)	(25.4)	(0.8)	(3.5)	-	(30.0)
Depreciation for the period	-	(288.9)	-	(40.9)	(0.9)	(330.7)
Impairment losses	-	(4.8)	-	-	-	(4.8)
Transfers to assets held for sale	(14.0)	(11.2)	-	-	-	(25.2)
Transfers to intangible assets	-	(1.5)	-	-	-	(1.5)
Transfer from investment properties	-	-	2.3	-	-	2.3
Other transfers	(4.8)	229.7	(230.0)	5.1	-	-
Effect of movements in exchange rates	2.2	23.8	(3.1)	6.6	0.6	30.1
Carrying amount at December 31, 2009	**124.1**	**1,507.6**	**80.2**	**109.8**	**3.3**	**1,825.0**

The depreciation charge of $313.7 million for the period ended December 31, 2010 (2009: $330.7 million; 2008: $304.6 million) is recognized in the statements of comprehensive income as a component of cost of sales (2010: $298.0 million; 2009: $317.7 million; 2008: $286.0 million), selling, marketing and distribution expenses (2010: $3.3 million; 2009: $3.6 million; 2008: nil) and general and administration expenses (2010: $12.4 million; 2009: $9.4 million; 2008: $18.6 million).

During the period, the Group incurred an impairment loss of $7.6 million (2009: $4.8 million; 2008: nil) related to closures of certain facilities. There were no reversals of impairment charges during the period ended December 31, 2010 (2009: nil; 2008: nil). The impairment charge is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 35 for details of the leased assets lessor category of property, plant and equipment. Refer to note 26 for details of security granted over property, plant and equipment and other assets. Refer to note 34 for details of assets acquired through business combinations.

21. Investment properties

(In $ million)	As at December 31 2010	2009
Balance at the beginning of the period	76.3	82.5
Additions	3.9	2.2
Disposals	(16.5)	(0.1)
Depreciation	(2.3)	(1.9)
Transfer to property, plant and equipment	-	(2.3)
Impairment reversals (losses)	0.8	(5.9)
Effect of movements in exchange rates	5.4	1.8
Balance at the end of the period	**67.6**	**76.3**
Fair value of investment properties	**67.9**	**86.5**

Investment properties (mainly industrial real estate), held by the Group's SIG segment, are leased to third parties. The method for determining the fair value of investment properties is described in note 5.3.

No contingent rents are charged.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2010 totaled $2.8 million (2009: $2.7 million).

Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2010 were nil (2009: nil).

Impairments during the period ended December 31, 2009 related to three properties for which the land price per square meter decreased in 2009. The fair values of these properties were based on independent market appraisals. There were $0.8 million of reversals of impairment charges during the period ended December 31, 2010 (2009: nil).

22. Current and deferred tax assets and liabilities

The current tax asset of $108.6 million (2009: $8.5 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authorities. The current tax liability of $140.0 million (2009: $67.8 million) represents the amount of income taxes payable in respect of current and prior periods.

22.1 Unrecognized deferred tax assets

(In $ million)	As at December 31 2010	2009
Deductible/(taxable) temporary differences	19.5	14.1
Tax losses	284.2	229.6
Total unrecognized deferred tax assets	**303.7**	**243.7**

The tax losses of the Group expire over different time intervals depending on local jurisdiction requirements. Certain deductible temporary differences do not expire under current tax legislation in the jurisdiction where the differences arose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefit.

22.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of Group companies overseas when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2010 the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $23.5 million.

22.3 Movement in recognized deferred tax assets and liabilities

(In $ million)	Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Other items	Tax credit	Unrecognized temporary differences	Unrealized foreign currency exchange	Net deferred tax assets (liabilities)
Balance at the beginning of the period	54.9	1.1	(219.0)	(6.2)	(274.5)	58.7	33.6	125.9	10.8	-	(18.9)	(40.2)	(273.8)
Recognized in the profit or loss	(48.6)	(3.0)	26.3	(0.1)	(18.6)	(8.2)	(6.9)	(21.5)	(3.6)	-	5.6	47.7	(30.9)
Recognized in equity	(7.2)	-	-	-	-	-	-	-	-	-	-	-	(7.2)
Other (including foreign exchange and disposals)	3.0	-	(1.2)	(0.2)	(1.5)	0.7	0.2	(0.2)	(1.7)	-	0.1	-	(0.8)
Balance at December 31, 2009	**2.1**	**(1.9)**	**(193.9)**	**(6.5)**	**(294.6)**	**51.2**	**26.9**	**104.2**	**5.5**	**-**	**(13.2)**	**7.5**	**(312.7)**
Recognized in the profit or loss	(12.3)	30.6	(17.8)	(1.7)	36.4	13.0	4.3	(9.1)	(1.7)	12.1	(6.3)	(7.4)	40.1
Acquired in business combinations	(3.2)	(14.5)	(289.1)	(0.1)	(1,125.1)	291.1	24.9	41.9	31.1	11.9	-	-	(1,031.1)
Other (including foreign exchange and disposals)	0.5	-	1.8	-	(0.1)	-	0.3	-	0.2	-	-	-	2.7
Balance at December 31, 2010	**(12.9)**	**14.2**	**(499.0)**	**(8.3)**	**(1,383.4)**	**355.3**	**56.4**	**137.0**	**35.1**	**24.0**	**(19.5)**	**0.1**	**(1,301.0)**

(In $ million)	As at December 31 2010	2009
Included in the statements of financial position as:		
Deferred tax assets - non-current	23.3	18.3
Deferred tax liabilities - non-current	(1,324.3)	(331.0)
Total recognized net deferred tax asset (liability)	**(1,301.0)**	**(312.7)**

Movement in unrecognized deferred taxes

(In $ million)	Tax losses	Taxable temporary differences	Deductible temporary differences	Total unrecognized deferred tax asset
Balance at the beginning of the period	149.7	(17.7)	18.9	150.9
Additions and reversals	82.2	18.7	-	100.9
Recognition	(6.5)	-	(5.6)	(12.1)
Other (including foreign exchange and disposals)	4.2	(0.1)	(0.1)	4.0
Balance at December 31, 2009	**229.6**	**0.9**	**13.2**	**243.7**
Additions and reversals	56.1	(0.9)	6.3	61.5
Recognition	(6.2)	-	-	(6.2)
Acquired in business combinations	20.4	-	-	20.4
Other (including foreign exchange and disposals)	(15.7)	-	-	(15.7)
Balance at December 31, 2010	**284.2**	**-**	**19.5**	**303.7**

23. Intangible assets

(In $ million)	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
As at December 31, 2010						
Cost	4,329.4	2,428.1	2,004.9	536.7	288.3	9,587.4
Accumulated amortization	-	(10.5)	(278.1)	(219.1)	(129.9)	(637.6)
Accumulated impairment losses	-	-	-	-	(14.9)	(14.9)
Carrying amount at December 31, 2010	**4,329.4**	**2,417.6**	**1,726.8**	**317.6**	**143.5**	**8,934.9**
As at December 31, 2009						
Cost	1,730.0	661.2	831.7	328.1	173.1	3,724.1
Accumulated amortization	-	(6.9)	(196.9)	(144.3)	(96.9)	(445.0)
Carrying amount at December 31, 2009	**1,730.0**	**654.3**	**634.8**	**183.8**	**76.2**	**3,279.1**
Carrying amount at January 1, 2010	**1,730.0**	**654.3**	**634.8**	**183.8**	**76.2**	**3,279.1**
Acquisitions through business combinations	2,630.1	1,739.3	1,180.7	190.6	92.9	**5,833.6**
Other additions	-	-	2.6	8.6	7.1	**18.3**
Amortization for the period	-	(3.7)	(85.8)	(59.1)	(33.3)	**(181.9)**
Impairment losses	-	-	-	-	(14.9)	**(14.9)**
Disposals	-	-	-	(0.4)	(0.4)	**(0.8)**
Transfers from property, plant and equipment	-	-	-	3.3	-	**3.3**
Other transfers	-	-	-	(15.1)	15.1	**-**
Effect of movements in exchange rates	(30.7)	27.7	(5.5)	5.9	0.8	**(1.8)**
Carrying amount at December 31, 2010	**4,329.4**	**2,417.6**	**1,726.8**	**317.6**	**143.5**	**8,934.9**
Cost at January 1, 2009	1,708.3	656.6	819.4	286.9	152.5	3,623.7
Accumulated amortization at January 1, 2009	-	(2.7)	(112.0)	(83.1)	(64.8)	(262.6)
Carrying amount at the January 1, 2009	1,708.3	653.9	707.4	203.8	87.7	3,361.1
Adjustment to business combinations	(6.6)	-	-	-	-	(6.6)
Other additions	-	-	-	29.3	18.8	48.1
Transfers from property, plant and equipment	-	-	-	1.5	-	1.5
Amortization for the period	-	(5.6)	(79.9)	(52.9)	(30.7)	(169.1)
Disposals	(1.5)	(1.4)	-	(0.1)	(0.4)	(3.4)
Effect of movements in exchange rates	29.8	7.4	7.3	2.2	0.8	47.5
Carrying amount at December 31, 2009	**1,730.0**	**654.3**	**634.8**	**183.8**	**76.2**	**3,279.1**

The amortization charge of $181.9 million for the period ended December 31, 2010 (2009: $169.1 million; 2008: $169.0 million) is recognized in the statements of comprehensive income as a component of cost of sales (2010: $82.3 million; 2009: $84.5 million; 2008: $98.7 million) and general and administration expenses (2010: $99.6 million; 2009: $84.6 million; 2008: $70.3 million). Trademarks of $2,372.2 million (2009: $605.1 million; 2008: $599.1 million) and other intangibles of $78.0 million (2009: nil; 2008: nil) have indefinite lives and are not amortized.

Refer to note 26 for details of security granted over the Group's intangible assets.

23.1 Impairment testing for indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangibles with indefinite useful lives and therefore are not subject to amortization. Instead, they are tested for impairment at least annually as well as whenever there is an indication that they may be impaired.

For the purposes of goodwill impairment testing, goodwill is tested at the lowest level within the Group at which goodwill is monitored for internal management purposes. Except for Reynolds Consumer Products, goodwill is monitored at a segment level.

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at either a CGU level or a group of CGUs. Except for the Reynolds Consumer Products segment, the group of CGUs was the same as a segment.

Prior to the Pactiv Acquisition, the testing for impairment of goodwill and indefinite life intangible assets within the Reynolds Consumer Products segment was performed at "branded" and "store branded" CGUs. The Group is in the process of combining the existing Reynolds Consumer Products operations with the recently acquired Hefty consumer products operations. This process is expected to change the identification of CGUs within the Reynolds Consumer Products segment and also the level at which goodwill is monitored for internal management purposes. As at December 31, 2010, due to the proximity of the acquisition date to year end and the ongoing business integration process, it is not yet possible to finalize the identification of the ongoing Reynolds Consumer Products CGUs. This process will be completed during the year ending December 31, 2011.

Furthermore, as at December 31, 2010 provisional goodwill and indefinite life intangible assets of $4,444.7 million arising from the Pactiv Acquisition (refer to note 34) have not yet been allocated to the Group's segments. For December 31, 2010 reporting, the recoverability of these assets has been assessed separately.

The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each segment, or CGU, are as follows:

	As at December 31				
(In $ million)	**2010**			**2009**	
	Goodwill	**Trademarks**	**Other**	**Goodwill**	**Trademarks**
SIG Combibloc	881.1	298.2	-	917.3	270.4
Evergreen	41.0	33.8	-	41.0	33.8
Reynolds Consumer Products - Reynolds Branded	291.6	300.9	-	292.8	300.9
Reynolds Consumer Products - Store Branded	102.0	-	-	102.0	-
Closures	386.3	-	-	376.9	-
Unallocated	2,627.4	1,739.3	78.0	-	-
Total	**4,329.4**	**2,372.2**	**78.0**	**1,730.0**	**605.1**

The impairment test for allocated goodwill and indefinite life intangible assets was performed by comparing the estimated fair value less cost to sell to the segment's (or CGU's) carrying value of net assets.

Estimated fair value has been determined using an EBITDA valuation, which is the forecast 2011 EBITDA to be generated by the relevant segment (or CGU) multiplied by an earnings capitalization rate ("earnings multiple"). The values assigned to key assumptions represent management's assessment of future trends in the segment's industry and are based on both external and internal sources. The forecast 2011 EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. Forecast 2011 EBITDA is subject to review by the Group's CODM. Earnings multiples reflect recent sale and purchase transactions in the same industry. The earnings multiples applied for December 31, 2010 ranged between 7.0x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment (or CGU).

As at December 31, 2010 there was no impairment in respect of any allocated goodwill or indefinite life intangible assets (2009: nil; 2008: nil). If the forecast 2011 EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as at December 31, 2010, no impairment would need to be recognized.

In respect of the unallocated goodwill and identifiable intangible assets not yet allocated to segments or CGUs, the Group has evaluated the recoverability using a combination of qualitative and quantitative factors. These factors include consideration of forecast 2011 EBITDA, expected future cost savings and general economic conditions as at December 31, 2010 compared to factors determined as part of the Pactiv Acquisition. Based on this analysis, there was no impairment in respect of the unallocated goodwill or indefinite life intangible assets. However, a component of the valuation of the assets and liabilities associated with the Pactiv Acquisition was finalized in June 2011, resulting in the recognition of an impairment loss of $14.9 million of other indefinite life intangible assets (refer to note 2.6).

24. Investments in associates and joint ventures equity accounted

Summary of financial information not adjusted for the percentage ownership held by the Group for associates and joint venture (equity method):

(In $ million)	Country of Incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expense	Profit after tax
2010												
SIG Combibloc Obeikan Company Limited	Kingdom of Saudi Arabia	50%	December 31	64.4	30.0	94.4	50.9	10.0	60.9	90.3	(73.9)	16.4
SIG Combibloc Obeikan FZCO	United Arab Emirates	50%	December 31	76.4	37.6	114.0	63.5	3.4	66.9	160.9	(145.3)	15.6
Ducart Evergreen Packaging Ltd ("Ducart")	Israel	50%	November 30	13.4	1.9	15.3	5.0	1.4	6.4	19.3	(17.2)	2.1
Banawi Evergreen Packaging Company Limited ("Banawi")	Kingdom of Saudi Arabia	50%	November 30	6.1	5.9	12.0	3.3	0.2	3.5	12.4	(10.5)	1.9
				160.3	**75.4**	**235.7**	**122.7**	**15.0**	**137.7**	**282.9**	**(246.9)**	**36.0**
2009												
SIG Combibloc Obeikan Company Limited	Kingdom of Saudi Arabia	50%	December 31	42.8	28.7	71.5	38.8	15.7	54.5	64.9	(59.3)	5.6
SIG Combibloc Obeikan FZCO	United Arab Emirates	50%	December 31	84.2	34.1	118.3	67.5	8.0	75.5	175.4	(162.5)	12.9
Ducart Evergreen Packaging Ltd ("Ducart")	Israel	50%	November 30	12.4	2.4	14.8	5.5	1.9	7.4	19.7	(18.2)	1.5
Banawi Evergreen Packaging Company Limited ("Banawi")	Kingdom of Saudi Arabia	50%	November 30	5.9	3.0	8.9	1.6	0.2	1.8	14.7	(12.5)	2.2
Multiplastics (Europe) Limited	United Kingdom	45%	December 31	7.0	0.7	7.7	0.5	-	0.5	12.9	(12.7)	0.2
				152.3	**68.9**	**221.2**	**113.9**	**25.8**	**139.7**	**287.6**	**(265.2)**	**22.4**

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2010 and 2009 have been used with appropriate adjustments being made for the effects of significant transactions and the Group's share of results between these dates and December 31, 2010 and 2009, respectively.

There are currently no restrictions in respect of the transfer of funds to the Group in the form of cash dividends or the repayment of loans associated with its investments in SIG Combibloc Obeikan FZCO, Dubai, United Arab Emirates.

The Ducart and Banawi associates have limitations to the amount of dividends that the associates may declare. Dividends are limited to the associates' accumulated profits after certain local reserve levels have been attained.

Under the restrictions imposed through the Saudi Industrial Development Fund ("SIDF") resulting from the Group's concessional funding loan to SIG Combibloc Obeikan Co. Limited, the maximum dividend or cash distribution able to be paid to the Group from this venture in any fiscal year cannot exceed 25% of the paid-up-capital or SIDF loan value.

Movements in carrying values of investments in associates and joint ventures (equity method)

	As at December 31	
(In $ million)	**2010**	**2009**
Balance at the beginning of the period	103.8	92.6
Share of profit, net of income tax	18.1	11.4
Disposal, decrease or dilution in investment in associates	(3.4)	-
Dividends received	(3.9)	(1.4)
Effect of movements in exchange rates	(5.0)	1.2
Balance at the end of the period	**109.6**	**103.8**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**55.5**	**58.9**

25. Trade and other payables

	As at December 31	
(In $ million)	**2010**	**2009**
Trade payables	714.0	448.2
Related party payables (refer to note 31)	23.7	42.4
Other payables and accrued expenses	518.1	298.5
Total trade and other payables	**1,255.8**	**789.1**
Current	1,247.5	760.7
Non-current	8.3	28.4
Total trade and other payables	**1,255.8**	**789.1**

26. Borrowings

This note provides information about the contractual terms of the Group's interest and non-interest bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, refer to note 30.

(In $ million)	Note	As at December 31 2010	2009
2009 Credit Agreement [a][n]		135.7	34.8
Current portion of non-interest bearing related party borrowings	31	0.7	0.7
Other borrowings [v]		4.9	3.7
Blue Ridge Facility [u]		-	43.1
CHH Facility [m][t]		-	30.0
Current borrowings		**141.3**	**112.3**
2009 Credit Agreement [a][n]		3,890.5	1,308.8
October 2010 Senior Secured Notes [b][o]		1,470.2	-
October 2010 Senior Notes [c][o]		1,463.8	-
May 2010 Notes [d][p]		977.6	-
2009 Notes [e][q]		1,647.6	1,687.8
2007 Senior Notes [f][r]		620.7	668.6
2007 Senior Subordinated Notes [g][r]		542.3	584.4
Pactiv 2012 Notes [h][s]		260.9	-
Pactiv 2017 Notes [i][s]		315.9	-
Pactiv 2018 Notes [j][s]		16.4	-
Pactiv 2025 Notes [k][s]		269.5	-
Pactiv 2027 Notes [l][s]		197.0	-
Other borrowings [v]		26.6	4.9
CHH Facility [m][t]		-	587.3
Non-current borrowings		**11,699.0**	**4,841.8**
Total borrowings		**11,840.3**	**4,954.1**

(In $ million)	As at December 31 2010	2009
(a) 2009 Credit Agreement (current and non-current)	4,149.8	1,394.2
Transaction costs	(86.0)	(32.5)
Original issue discount	(37.6)	(18.1)
Carrying amount	**4,026.2**	**1,343.6**
(b) October 2010 Senior Secured Notes	1,500.0	-
Transaction costs	(38.5)	-
Embedded derivative	8.7	-
Carrying amount	**1,470.2**	**-**
(c) October 2010 Senior Notes	1,500.0	-
Transaction costs	(45.8)	-
Embedded derivative	9.6	-
Carrying amount	**1,463.8**	**-**
(d) May 2010 Notes	1,000.0	-
Transaction costs	(31.4)	-
Embedded derivative	9.0	-
Carrying amount	**977.6**	**-**
(e) 2009 Notes	1,723.3	1,771.8
Transaction costs	(69.3)	(75.6)
Original issue discount	(19.0)	(22.8)
Embedded derivative	12.6	14.4
Carrying amount	**1,647.6**	**1,687.8**
(f) 2007 Senior Notes	638.2	689.8
Transaction costs	(17.5)	(21.2)
Carrying amount	**620.7**	**668.6**

	As at December 31	
(In $ million)	**2010**	**2009**
(g) 2007 Senior Subordinated Notes	558.4	603.5
Transaction costs	(16.1)	(19.1)
Carrying amount	**542.3**	**584.4**
(h) Pactiv 2012 Notes	249.3	-
Fair value adjustment at acquisition	11.6	-
Carrying amount	**260.9**	**-**
(i) Pactiv 2017 Notes	299.7	-
Fair value adjustment at acquisition	16.2	-
Carrying amount	**315.9**	**-**
(j) Pactiv 2018 Notes	15.7	-
Fair value adjustment at acquisition	0.7	-
Carrying amount	**16.4**	**-**
(k) Pactiv 2025 Notes	276.4	-
Fair value adjustment at acquisition	(6.9)	-
Carrying amount	**269.5**	**-**
(l) Pactiv 2027 Notes	200.0	-
Fair value adjustment at acquisition	(3.0)	-
Carrying amount	**197.0**	**-**
(m) CHH Facility (current and non-current)	-	619.6
Transaction costs	-	(2.3)
Carrying amount	**-**	**617.3**

(n) 2009 Credit Agreement

The Company and certain members of the Group are parties to a senior secured credit agreement dated November 5, 2009, as amended from time to time (the "2009 Credit Agreement") which comprises the following term and revolving tranches:

(In $ million, except percentages)	**Maturity date**	**Original facility value**	**Value drawn or utilized at December 31, 2010**	**Applicable interest rate as at December 31, 2010**
Term Tranches				
Tranche A Term Loan ($)	August 6, 2015	$500.0	$500.0	6.25%
Tranche B Term Loan ($)	May 5, 2016	$1,035.0	$1,015.9	6.75%
Tranche C Term Loan ($)	May 5, 2016	$800.0	$790.0	6.25%
Tranche D Term Loan ($)	May 5, 2016	$1,520.0	$1,520.0	6.50%
European Term Loan (€)	November 5, 2015	€250.0	€ 243.6	6.75%
Revolving Tranches (1)				
$ Revolving Tranche	November 5, 2014	$120.0	$48.8	-
€ Revolving Tranche	November 5, 2014	€80.0	€ 24.0	-

(1) The Revolving Tranches were utilized in the form of bank guarantees and letters of credit.

The Company and certain members of the Group have guaranteed on a senior basis the obligations under the 2009 Credit Agreement and related documents to the extent permitted by law. The guarantors (other than the entities organized in Australia, Costa Rica, and Japan) have granted security over certain of their assets to support the obligations under the 2009 Credit Agreement. This security is shared on a first priority basis with the note holders under the 2009 Notes (refer to (q) below) and the October 2010 Senior Secured Notes (refer to (o) below).

Indebtedness under the 2009 Credit Agreement may be voluntarily repaid in whole or in part and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments in respect of the term loans.

The 2009 Credit Agreement contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the 2009 Credit Agreement. The Group also has an interest coverage ratio and leverage ratio covenants as well as limitations on capital expenditure. At December 31, 2010 the Group was in compliance with all of its covenants. The total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the consolidated total assets of the Group and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of the Group, in each case calculated in accordance with the 2009 Credit Agreement which may differ from the measure of Adjusted EBITDA disclosed in note 6.

On February 1, 2011, the Tranche D Term Loan was repaid with the proceeds of the 2011 Notes (refer to note 39). On February 9, 2011 the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan were repaid with the proceeds of new $2,325.0 million term loans and EUR 250 million term loans (refer to note 39).

(o) October 2010 Notes

On October 15, 2010, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A., (together the "Reynolds Issuers") issued $1,500.0 million principal amount of 7.125% senior secured notes due 2019 (the "October 2010 Senior Secured Notes") and $1,500.0 million principal amount of 9.000% senior notes due 2019 (the "October 2010 Senior Notes" and together with the October 2010 Senior Secured Notes the "October 2010 Notes"). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15, commencing April 15, 2011. All of the guarantors of the 2009 Credit Agreement have guaranteed or will guarantee the obligations under the October 2010 Notes to the extent permitted by law.

The guarantors (other than the entities organized in Australia, Costa Rica and Japan) have granted or will grant security over certain of their assets to support the obligations under the October 2010 Senior Secured Notes. This security is shared on a first priority basis with the creditors under the 2009 Credit Agreement and the note holders under the 2009 Notes.

The indentures governing the October 2010 Notes contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indentures for the October 2010 Notes.

The Reynolds Issuers, at their option, can elect to redeem the October 2010 Notes under terms and conditions specified in the indentures. The terms of the early redemption constitute an embedded derivative. In accordance with the Group's accounting policy for embedded derivatives, the Group has recognized an embedded derivative in relation to the redemption provisions of the October 2010 Notes.

In certain circumstances which would constitute a change in control, the holders of the October 2010 Notes have the right to require the Reynolds Issuers to repurchase the October 2010 Notes at a premium.

Pursuant to certain registration rights agreements, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission ("SEC") an exchange offer registration statement pursuant to which the Reynolds Issuers will exchange the October 2010 Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the October 2010 Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions or (ii) under certain circumstances, to file a shelf registration statement with the SEC with respect to the October 2010 Notes by October 2011. Under certain circumstances if the Reynolds Issuers do not meet their obligations under the registration rights agreements the Reynolds Issuers may be required to pay penalty interest of up to a maximum of 1.00% per annum. If applicable, penalty interest would commence from October 15, 2011.

(p) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000.0 million principal amount of 8.5% senior unsecured notes due 2018 (the "May 2010 Notes"). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15. All of the guarantors of the 2009 Credit Agreement have guaranteed or will guarantee the obligations under the May 2010 Notes to the extent permitted by law.

The indenture governing the May 2010 Notes contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indenture for the May 2010 Notes.

The Reynolds Issuers, at their option, can elect to redeem the May 2010 Notes under terms and conditions specified in the indenture. The terms of the early redemption constitute an embedded derivative. In accordance with the Group's accounting policy for embedded derivatives, the Group has recognized an embedded derivative in relation to the redemption provisions of the May 2010 Notes.

In certain circumstances which would constitute a change in control, the holders of the May 2010 Notes have the right to require the Reynolds Issuers to repurchase the May 2010 Notes at a premium.

Pursuant to a registration rights agreement, the Reynolds Issuers have agreed (i) to file with the SEC an exchange offer registration statement pursuant to which the Reynolds Issuers will exchange the May 2010 Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the May 2010 Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions or (ii) under certain circumstances, to file a shelf registration statement with the SEC with respect to the May 2010 Notes by May 2011. Under certain circumstances if the Reynolds Issuers do not meet their obligations under the registration rights agreement the Reynolds Issuers may be required to pay penalty interest of up to a maximum of 1.00% per annum. If applicable, penalty interest would commence from May 4, 2011.

(q) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125.0 million principal amount of 7.75% senior secured notes due 2016 and €450.0 million principal amount of 7.75% senior secured notes due 2016 (collectively, the "2009 Notes"). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15. All of the guarantors of the 2009 Credit Agreement have also guaranteed the obligations under the 2009 Notes to the extent permitted by law. The guarantors (other than the entities organized in Australia, Costa Rica and Japan) have granted security over certain of their assets to support the obligations under the 2009 Notes. This security is shared on a first priority basis with the creditors under the 2009 Credit Agreement and the note holders under the October 2010 Senior Secured Notes.

The indenture governing the 2009 Notes contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indenture for the 2009 Notes.

The Reynolds Issuers, at their option, can elect to redeem the 2009 Notes under terms and conditions specified in the indenture. The terms of the early redemption constitute an embedded derivative. In accordance with the Group's accounting policy for embedded derivatives, the Group has recognized an embedded derivative in relation to the redemption provisions of the 2009 Notes.

In certain circumstances which would constitute a change in control, the holders of the 2009 Notes have the right to require the Reynolds Issuers to repurchase the 2009 Notes at a premium.

Pursuant to a registration rights agreement, the Reynolds Issuers have agreed (i) to file with the SEC an exchange offer registration statement pursuant to which the Reynolds Issuers will exchange the 2009 Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the 2009 Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions or (ii) under certain circumstances, to file a shelf registration statement with the SEC with respect to the 2009 Notes by November

2010. The Reynolds Issuers did not file the required registration statement for the 2009 Notes by November 2010 and consequently are required to pay additional penalty interest of up to a maximum of 1.00% per annum on the 2009 Notes beginning November 5, 2010 in accordance with the terms of the 2009 Notes until the 2009 Notes are registered.

(r) 2007 Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A ("BP II"), issued €480.0 million principal amount of 8% senior notes due 2016 (the "2007 Senior Notes") and €420.0 million principal amount of 9.5% senior subordinated notes due 2017 (the "2007 Senior Subordinated Notes" and together with the 2007 Senior Notes, the "2007 Notes"). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15. The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of Beverage Packaging Holdings (Luxembourg) I S.A. ("BP I") held by the Company and the receivables under loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the 2009 Credit Agreement have also guaranteed the obligations under the 2007 Notes to the extent permitted by law.

The indentures governing the 2007 Notes contain customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the indentures for the 2007 Notes.

In certain circumstances which would constitute a change in control, the holders of the 2007 Notes have the right to require BP II to repurchase the 2007 Notes at a premium.

(s) Pactiv Notes

As of the date of the Pactiv Acquisition, Pactiv had outstanding**:**

- $250.0 million in principal amount of 5.875% Notes due 2012 (the "Pactiv 2012 Notes");
- $299.7 million in principal amount of 8.125% Debentures due 2017 (the "Pactiv 2017 Notes");
- $250.0 million in principal amount of 6.400% Notes due 2018 (the "Pactiv 2018 Notes");
- $276.4 million in principal amount of 7.950% Debentures due 2025 (the "Pactiv 2025 Notes"); and
- $200.0 million in principal amount of 8.375% Debentures due 2027 (the "Pactiv 2027 Notes"),

(together, the "Pactiv Notes").

For each of the Pactiv Notes, interest is paid semi-annually:

- on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;
- on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and
- on the Pactiv 2027 Notes, April 15 and October 15.

The indentures governing the Pactiv Notes contain a negative pledge clause limiting Pactiv's ability and the ability of certain of its subsidiaries, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on "principal manufacturing properties" (as such term is defined in the indentures governing the Pactiv Notes) or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing property and (ii) sell and then take an immediate lease back of such principal manufacturing property.

The Pactiv 2012 Notes, the Pactiv 2017 Notes, the Pactiv 2018 Notes and the Pactiv 2027 Notes may be redeemed at any time at Pactiv's option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption.

On November 16, 2010, $234.3 million principal amount of the Pactiv 2018 Notes were redeemed pursuant to a tender offer that was made in connection with the Pactiv Acquisition (refer to note 34). On December 7, 2010 $0.7 million principal amount of the Pactiv 2012 Notes were repurchased pursuant to a change of control offer that was made in connection with the Group's acquisition of Pactiv.

(t) CHH Facility

Evergreen Packaging Inc. ("EPI") and Evergreen Packaging Canada Limited ("EPCL") were borrowers under a syndicated multi-option facility agreement dated December 18, 2006 as amended (the "CHH Facility"). EPI and EPCL were released as borrowers on May 3, 2010 in connection with the Group's acquisition of EPI, Evergreen Packaging (Luxembourg) S.à r.l. and their respective subsidiaries (the "Evergreen Group") from Carter Holt Harvey Limited ("CHHL").

The guarantees and security in respect of the CHH Facility that had been granted by certain members of the Evergreen Group were released on May 4, 2010, in connection with the Group's acquisition of the Evergreen Group from CHHL. At December 31, 2009, the outstanding principal indebtedness of EPI and EPCL under the CHH Facility was NZ$773.6 million ($561.7 million), $29.6 million and CA$29.7 million ($28.3 million).

(u) Blue Ridge Facility

Blue Ridge Paper Products, Inc. ("Blue Ridge") was the borrower under a $50.0 million revolving credit agreement dated as of December 17, 2003 among Blue Ridge, BRPP, LLC and General Electric Capital Corporation, as agent and lender (the "GE Agreement"). The GE Agreement was repaid in full on May 3, 2010, prior to the Group's acquisition of Blue Ridge from CHHL. As at December 31, 2009, the GE Agreement was drawn in the amount of $43.1 million.

(v) Other borrowings

In addition to the 2009 Credit Agreement, as amended, the October 2010 Notes, the May 2010 Notes, the 2009 Notes, the 2007 Notes, and the Pactiv Notes, the Group has a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates. Other borrowings at December 31, 2010 and December 31, 2009 also included finance lease obligations of $28.2 million and $4.8 million, respectively.

At December 31, 2010, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the 2009 Credit Agreement, the 2009 Notes, the October 2010 Senior Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the 2009 Credit Agreement, the 2009 Notes and the October 2010 Senior Secured Notes rank pari passu with the obligations under the 2009 Credit Agreement, the 2009 Notes and the October 2010 Senior Secured Notes. At December 31, 2010, the secured facilities were utilized in the amount of $3.3 million in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Assets pledged as security for loans and borrowings

As a result of the pledge of the shares in BP I (a wholly owned subsidiary of the Company), the carrying values of the assets pledged as collateral under the 2009 Credit Agreement, the 2009 Notes and the October 2010 Senior Secured Notes equates to the assets of the Group.

Terms and debt repayment schedule

			As at December 31					
(In $ million)	**Currency**	**2010 Nominal interest rate**	**2009 Interest rate**	**Year of maturity**	**2010 Face value**	**2010 Carrying amount**	**2009 Face value**	**2009 Carrying amount**
2009 Credit Agreement- Tranche A	$	LIBOR with a floor of 1.75% + 4.50%	-	2015	500.0	485.0	-	-
2009 Credit Agreement- Tranche B	$	LIBOR with a floor of 2.00% + 4.75%	6.25%	2016	1,015.9	980.0	1,034.9	990.1
2009 Credit Agreement- Tranche C	$	LIBOR with a floor of 1.50% + 4.75%	-	2016	790.0	767.0	-	-
2009 Credit Agreement- Tranche D	$	LIBOR with a floor of 1.75% + 4.75%	-	2016	1,520.0	1,474.4	-	-
2009 Credit Agreement- European Term Loan	€	EURIBOR with a floor of 2.00% + 4.75%	6.25%	2015	323.9	319.8	359.3	353.5
October 2010 Senior Secured Notes	$	7.125%	-	2019	1,500.0	1,470.2	-	-
October 2010 Senior Notes	$	9.00%	-	2019	1,500.0	1,463.8	-	-
May 2010 Notes	$	8.50%	-	2018	1,000.0	977.6	-	-
2009 Notes	€	7.75%	7.75%	2016	598.3	584.7	646.6	630.1
2009 Notes	$	7.75%	7.75%	2016	1,125.0	1,062.9	1,125.2	1,057.7
2007 Senior Notes	€	8.00%	8.00%	2016	638.2	620.7	689.8	668.6
2007 Senior Subordinated Notes	€	9.50%	9.50%	2017	558.4	542.3	603.5	584.4
Pactiv 2012 Notes	$	5.875%	-	2012	249.3	260.9	-	-
Pactiv 2017 Notes	$	8.125%	-	2017	299.7	315.9	-	-
Pactiv 2018 Notes	$	6.40%	-	2018	15.7	16.4	-	-
Pactiv 2025 Notes	$	7.95%	-	2025	276.4	269.5	-	-
Pactiv 2027 Notes	$	8.375%	-	2027	200.0	197.0	-	-
CHH Facility, tranche C	NZ$	BKBM + 1.25% + 1.75%	3.57% - 3.82%	2012	-	-	124.6	124.1
CHH Facility, tranche D	NZ$	BKBM + 1.25% + 1.75%	3.57% - 3.82%	2012	-	-	404.7	403.4
CHH Facility, tranche E (Revolver)	NZ$	BKBM + 1.25% + 1.75%	3.57% - 3.82%	2012	-	-	32.4	32.3
CHH Facility, tranche D (Canada)	CA$	CA$ LIBOR + 1.75%	1.38%	2012	-	-	28.3	28.0
CHH Facility, tranche E (Revolver)	$	US$ LIBOR + 1.125%	1.37%	2012	-	-	29.6	29.5
Blue Ridge Facility	$	Refer to (u) above	3.50%	2012	-	-	43.1	43.1
Related party borrowings	NZ$	-	-	n/a	0.7	0.7	0.7	0.7
Finance lease liabilities	€	Various	Various	Various	2.0	2.0	1.8	1.8
Finance lease liabilities	$	Various	Various	Various	29.1	29.1	5.4	5.4
Finance lease liabilities	JPY	Various	Various	Various	0.4	0.4	0.4	0.4
Other borrowings	CNY	Various	Various	Various	-	-	1.0	1.0
					12,143.0	**11,840.3**	**5,131.3**	**4,954.1**

Finance lease liabilities

Finance lease liabilities are payable as follows:

	As at December 31, 2010			As at December 31, 2009		
(In $ million)	**Minimum lease payments**	**Interest**	**Principal**	**Minimum lease payments**	**Interest**	**Principal**
Less than one year	5.1	1.9	3.2	2.0	0.2	1.8
Between one and five years	12.9	6.0	6.9	3.2	0.2	3.0
More than five years	25.9	7.8	18.1	-	-	-
Total finance lease liabilities	**43.9**	**15.7**	**28.2**	**5.2**	**0.4**	**4.8**

27. Employee benefits

(In $ million)	As at December 31 2010	2009
Salary and wages accrued	133.7	92.0
Provision for annual leave	32.4	25.5
Provision for employee benefits	5.1	3.2
Provision for long service leave	5.1	5.3
Provision for sick leave	4.6	4.7
Defined contribution obligation	31.1	20.1
Defined benefit obligations:		
Pension benefits	785.5	130.4
Post-employment medical benefits	168.7	95.5
Total employee benefits	**1,166.2**	**376.7**
Current	194.7	135.4
Non-current	971.5	241.3
Total employee benefits	**1,166.2**	**376.7**

27.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, Thailand and the United States. The Group's most significant plan at December 31, 2010 is the Pactiv Retirement Plan, which comprises 85% of the Group's present value of obligations. The liability was assumed as part of the Pactiv Acquisition. The Group's most significant plan in 2009 was the SIG Combibloc Group AG Plan in Switzerland, which comprised 82% of the Group's present value of obligations as at December 31, 2009. The Group's recognition of the plan assets in relation to the Swiss plan is subject to capping.

(In $ million)	As at December 31 2010	2009
Present value of unfunded obligations	228.6	175.5
Present value of funded obligations	4,707.7	542.4
Unrecognized actuarial gains (losses)	128.6	(24.6)
Total present value of obligations	5,064.9	693.3
Fair value of plan assets	(4,433.2)	(736.0)
Asset capping according to IAS 19, paragraph 58	135.4	159.9
Total pension benefits	**767.1**	**117.2**
Included in the statement of financial position as:		
Employee benefits	785.5	130.4
Other non-current assets and non-current receivables	(18.4)	(13.2)
Total pension benefits	**767.1**	**117.2**

Movement in the defined benefit obligation

(In $ million)	For the period ended December 31 2010	2009
Liability for defined benefit obligations at the beginning of the period	717.9	693.7
Defined benefit obligations assumed in a business combination	4,266.9	-
Current service cost	15.5	15.2
Past service cost	10.9	10.0
Interest cost	55.0	29.0
Contributions by plan participants	-	0.1
Benefits paid by the plan	(91.7)	(54.1)
Curtailments [(a)]	-	4.6
Settlements [(b)]	(39.0)	(1.7)
Actuarial (gains) losses recognized	(40.3)	6.4
Changes in actuarial assumptions	1.5	0.8
Reclassifications (from) to employee benefits	(1.8)	1.0
Effect of movements in exchange rates	41.4	12.9
Liability for defined benefit obligations at the end of the period	**4,936.3**	**717.9**

Of the above liability for the defined benefit obligation of $4,936.3 million, the Pactiv Retirement Plan related liability was $4,150.0 million at December 31, 2010.

(a) Special termination benefits of $7.4 million associated with the closure of a plant were provided for within the restructuring provision in 2008 and expensed in restructuring costs (classified in other expenses). The restructuring was completed in 2009 and the component of the restructuring provision relating to curtailments was transferred to the defined benefit obligations provision.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition (refer to note 34). Certain settlements made in the period ended December 31, 2010 were not funded by plan assets.

Expense recognized in the statements of comprehensive income

	For the period ended December 31	
(In $ million)	**2010**	**2009**
Current service cost	15.5	15.2
Past service cost	10.9	10.0
Interest cost	55.0	29.0
Expected return on plan assets	(66.9)	(29.2)
Curtailments	-	(2.8)
Asset capping according to IAS 19, paragraph 58	(36.9)	49.5
Changes in actuarial assumptions	-	0.8
Employee contributions	(1.7)	(1.4)
Actuarial (gains) losses recognized	33.5	(44.9)
Other	0.5	-
Total plan net expense	**9.9**	**26.2**

The above plan net expense of $9.9 million includes Pactiv Retirement Plan related net pension income of $5.2 million for the period from November 16, 2010 to December 31, 2010.

The expense is recognized in the following line items in the statements of comprehensive income:

	For the period ended December 31	
(In $ million)	**2010**	**2009**
Cost of sales	13.0	17.9
Selling, marketing and distribution expenses	0.2	0.3
General and administration expenses	(3.3)	8.0
Total plan expense	**9.9**	**26.2**

Movement in plan assets

	For the period ended December 31	
(In $ million)	**2010**	**2009**
Fair value of plan assets at the beginning of the period	736.0	664.7
Plan assets acquired in a business combination	3,545.7	-
Contributions by the Group	62.5	18.7
Contributions by the plan participants	1.7	1.5
Benefits paid by the plan	(86.7)	(48.3)
Actual return on plan assets	148.0	86.3
Settlements	(39.0)	(1.7)
Effects of movements in exchange rates	63.4	14.8
Transfer of assets to the plan	1.6	-
Fair value of plan assets at the end of the period	**4,433.2**	**736.0**

The above plan assets as at December 31, 2010 include $3,639.2 million of the Pactiv Retirement Plan. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As at December 31, 2010, $28.1 million in cash, which is included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As at December 31	
(In $ million)	**2010**	**2009**
Equity instruments	2,857.9	177.1
Debt instruments	1,303.9	334.5
Property	207.0	191.3
Cash and cash equivalents	60.5	31.9
Other	3.9	1.2
Total plan assets	**4,433.2**	**736.0**

The Group expects to contribute $18.7 million to the pension plans during the annual period beginning after the reporting date.

The actual return on plan assets was 0.9% to 30.0% (2009: 3.7% to 15.5%).

	Actual return on plan assets for the period ended December 31		Expected return on plan assets for the period ended December 31	
(In $ million)	**2010**	**2009**	**2010**	**2009**
Equity instruments	124.0	35.4	40.0	8.0
Debt instruments	15.7	17.4	15.3	11.2
Property	8.2	32.3	11.4	9.9
Cash and cash equivalents	-	0.1	0.1	0.1
Other	0.1	0.1	0.1	-

Actuarial assumptions – all plans

	For the period ended December 31	
	2010	**2009**
Discount rates at December 31	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 2.0%	0.0% - 2.0%

The overall expected long-term rate of return on assets is 1.5% to 8.0%. The expected long-term rate of return for each plan is based on the portfolio as a whole and not on the sum of the returns on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The actuarial assumptions on the Group's most significant defined benefit pension plan for the period ended December 31, 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31
	2010
Discount rate at December 31	5.2%
Expected return on plan assets at January 1	7.8%
Future salary increases	3.0% - 5.0%
Future pension increases	-

The actuarial assumptions on the Group's most significant defined benefit pension plan prior to the Pactiv Acquisition, being the SIG Combibloc Group AG plan, are as follows:

	For the period ended December 31	
	2010	**2009**
Discount rate at December 31	3.3%	3.5%
Expected return on plan assets at January 1	4.2%	4.3%
Future salary increases	2.5%	2.0%
Future pension increases	2.0%	1.0%

Historical information

	For the period ended December 31				
(In $ million)	**2010**	**2009**	**2008**	**2007**	**2006**
Liability for the defined benefit obligations	(4,936.3)	(717.9)	(693.7)	(621.2)	-
Fair value of plan assets	4,433.2	736.0	664.7	674.2	-
Plan (deficit) surplus	**(503.1)**	**18.1**	**(29.0)**	**53.0**	**-**
Experience adjustments arising on plan liabilities	(3.0)	(3.9)	0.6	-	-
Experience adjustments arising on plan assets	14.1	(45.5)	8.9	-	-

There is no comparable information for the period ended December 31, 2006 as the Group did not have any pension plans during this period.

27.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans in the United States. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension plans.

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2010 and 2009.

	As at December 31	
(In $ million)	**2010**	**2009**
Present value of unfunded obligations	158.2	86.9
Unrecognized actuarial gains (losses)	2.7	(1.4)
Unrecognized past service costs	7.8	10.0
Total present value of obligations	168.7	95.5
Fair value of plan assets	-	-
Total post-employment medical benefits	**168.7**	**95.5**

Movement in the defined benefit obligation

	For the period ended December 31	
(In $ million)	**2010**	**2009**
Liability for defined benefit obligations at the beginning of the period	86.9	86.0
Defined benefit obligations assumed in a business combination	70.4	-
Current service cost	2.1	2.7
Past service cost	0.2	-
Interest cost	5.3	4.8
Contributions by plan participants	0.7	0.3
Benefits paid by the plan	(2.8)	(1.7)
Plan amendments [(a)]	(0.6)	(11.5)
Curtailments [(b)]	-	5.3
Actuarial (gains) losses recognized	(4.4)	1.0
Other	0.4	-
Liability for defined benefit obligations at the end of the period	**158.2**	**86.9**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $0.6 million. During 2009, the Evergreen segment renegotiated its labor bargaining agreements, which affected certain employees and their entitlements under the Evergreen post-employment medical plan. Under this new agreement certain employees have been excluded from participating in the plan and have been transferred from the post-employment medical plan to a defined contribution plan. This change resulted in an $11.5 million decrease in the post-employment medical obligation and generated $10.0 million in unrecognized past service costs as at December 31, 2009.

(b) Special termination benefits of $5.0 million associated with the closure of a plant were provided for within the restructuring provision in 2008, and expensed in restructuring costs (classified in other expenses). The restructuring was completed in 2009 and the component of the restructuring provision relating to curtailments was transferred to the defined benefit obligations provision.

Expense recognized in the statements of comprehensive income

	For the period ended December 31	
(In $ million)	**2010**	**2009**
Current service cost	2.1	2.7
Interest cost	5.3	4.8
Past service cost	(2.1)	(1.5)
Curtailments	-	5.3
Actuarial (gains) losses recognized	-	1.1
Plan amendments	(0.6)	-
Total expense recognized in the statements of comprehensive income	**4.7**	**12.4**

The expense is recognized in the following line items in the statements of comprehensive income:

(In $ million)	For the period ended December 31 2010	2009
Cost of sales	4.3	7.4
Selling, marketing and distribution expenses	0.4	-
General and administration expenses	-	5.0
Total plan expense	**4.7**	**12.4**

Assumed healthcare cost trend rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

(In $ million)	One percentage point increase	One percentage point decrease
Effect on the aggregated service and interest cost	0.1	(1.0)
Effect on the defined benefit obligation	3.1	(2.8)

Mortality rates have a significant effect on the amounts recognized in the statement of comprehensive income. A one percentage point change in mortality rates would have the following effects:

(In $ million)	One percentage point increase	One percentage point decrease
Effect on the aggregated service and interest cost	(0.8)	0.5
Effect on the defined benefit obligation	(7.7)	5.7

Historical information

	For the period ended December 31				
(In $ million)	2010	2009	2008	2007	2006
Present value of the defined benefit obligation	**158.2**	**86.9**	**86.0**	**24.7**	**-**
Experience adjustments arising on plan liabilities	5.1	0.3	(1.4)	-	-
Experience adjustments arising on plan assets	-	-	0.1	-	-

Historical information for the post-employment medical benefit plans is not available for periods prior to 2007 as the earliest ownership of a plan did not occur until January 31, 2007.

28. Provisions

(In $ million)	Legal & warranty	Restructuring	Workers' compensation	Other	Total
Balance at December 31, 2009	52.3	49.0	9.0	10.7	121.0
Acquisitions through business combinations	0.2	3.0	25.5	48.7	77.4
Provisions made	17.4	2.9	4.6	4.3	29.2
Provisions used	(11.2)	(29.7)	(4.5)	(1.5)	(46.9)
Provisions reversed	(6.2)	(6.5)	-	-	(12.7)
Transfer to other liabilities	(0.7)	(0.3)	(0.2)	-	(1.2)
Effect of movements in exchange rates	(2.2)	(1.2)	0.4	0.2	(2.8)
Balance at December 31, 2010	**49.6**	**17.2**	**34.8**	**62.4**	**164.0**
Current	26.1	17.2	17.2	12.1	72.6
Non-current	23.5	-	17.6	50.3	91.4
Total provisions at December 31, 2010	**49.6**	**17.2**	**34.8**	**62.4**	**164.0**
Current	23.9	43.4	8.9	4.7	80.9
Non-current	28.4	5.6	0.1	6.0	40.1
Total provisions at December 31, 2009	**52.3**	**49.0**	**9.0**	**10.7**	**121.0**

Legal & warranty

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. A provision for warranty is recognized for all products under warranty at the reporting date based on sales volumes and past experience of the level of reports and returns.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Business closure and rationalization provisions can include such items as employee severance or termination pay, site closure costs and onerous leases. Future operating costs are not provided for.

Workers' compensation

The Group has elected to self-insure certain of its workers' compensation obligations in the United States.

Under the self-insurance programs in the United States, the Group retains the risk of work related injuries for any employees covered under the scheme.

The liability in respect of the self-insurance programs is estimated on an actuarial basis to reflect all claims incurred, including reported claims and those that are incurred but not yet reported. All changes in the liability for claims are recognized immediately in the statement of comprehensive income.

As a result of the Group's self-insured status in the United States, the risk presently exists that an insurable event may occur which will result in a claim which cannot be readily quantified financially. By their very nature, risks of this type are inherently random and therefore unpredictable. The Group mitigates this risk by having established and approved occupational health and safety procedures in addition to resources directed to the management of claims and rehabilitation.

As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size.

Other provisions

The main components of other provisions are lease provisions and contingent liabilities arising on acquisitions, brokerage provision for customs duties, environmental remediation, and rent contracts related to investment properties.

29. Equity and reserves

29.1 Share capital

The reported share capital balance as at December 31, 2010 is that of the Company, which is the sole parent of the Group.

In accordance with the Group's accounting policy in respect of common control transactions (refer to note 3.1(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that common control originally commenced rather than the date that the common control transactions actually occurred. As a result the reported share capital balance as at December 31, 2009 is that of the Company, EPI, Evergreen Packaging International B.V. ("EPIBV"), Reynolds Packaging Inc. ("RPI"), and Reynolds Packaging International B.V. ("RPIBV").

On September 1, 2010 the issued capital of RPI and RPIBV was acquired by entities controlled by the Company. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group.

On May 4, 2010 the issued capital of EPI and EPIBV was acquired by entities controlled by the Company. From this date, each of EPI and EPIBV as well as their respective controlled entities are consolidated by the Group.

On November 5, 2009 the issued capital of Reynolds Consumer Products Holdings Inc. ("RCPHI"), Reynolds Consumer Products International B.V. ("RCPIBV") and Closure Systems International B.V. ("CSIBV") was acquired by entities controlled by the Company. From this date, each of RCPHI, RCPIBV and CSIBV as well as their respective controlled entities are consolidated by the Group.

Further information regarding the issued capital of each of the entities is detailed below:

Reynolds Group Holdings Limited

	For the period ended December 31,	
Number of shares	**2010**	**2009**
Balance at the beginning of the period	111,000,003	51,000,001
Issue of shares	1	60,000,002
Balance at December 31	**111,000,004**	**111,000,003**

On November 16, 2010, the Company issued to its sole shareholder, Packaging Finance Limited ("PFL"), 1 fully paid ordinary share at an issue price of NZ$414.2 million ($322.0 million) per share.

On November 6, 2009, the Company issued to PFL, 1 fully paid ordinary share at an issue price of NZ$760.4 million ($544.0 million) per share.

On September 29, 2009, loans payable by the Company to BPC Finance (N.Z.) Limited ("BPCF") in the amount of NZ$478.3 million ($342.4 million), CHHL in the amount of NZ$472.5 million ($338.2 million) and Packaging Holdings Limited ("PHL") in the amount of NZ$95.9 million ($68.6 million) were novated in exchange for the issue of 1 ordinary share to PFL at an issue price of NZ$1,046.7 million ($749.2 million).

On August 14, 2009, the Company issued to PFL 60,000,000 fully paid ordinary shares at an issue price of NZ$1.00 per share (NZ$60.0 million or $40.8 million) in exchange for payment of outstanding related party borrowings.

The holder of the shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to the Company's residual assets in the event of a wind-up.

Evergreen Packaging Inc.

On January 1, 2009, and December 31, 2009, EPI had 1,000 shares on issue. On May 4, 2010 (the date of acquisition by the Group) EPI had 1,640 shares on issue.

On May 3, 2010, EPI issued to Evergreen Packaging US, its parent company at the time of issue, 640 fully paid shares of common stock at an issue price of $0.01 per share and received a capital contribution of $624.6 million.

On January 7, 2009, EPI received $12.0 million in consideration for 405 shares that were issued during the period ended December 31, 2008.

The holder of the issued shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to EPI's residual assets in the event of a wind-up.

Evergreen Packaging International B.V.

On January 1, 2009, December 31, 2009 and May 4, 2010 (the date of acquisition by the Group) EPIBV had 186 shares on issue.

On February 19, 2009, EPIBV's parent company at the time, Evergreen Packaging (Antilles) N.V., contributed €47.4 million ($60.7 million) as a non-stipulated share premium without the issuance of shares.

The holder of the issued shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to EPIBV's residual assets in the event of a wind-up.

Reynolds Consumer Products Holdings Inc.

On January 1, 2009 and November 5, 2009 (the date of acquisition by the Group) RCPHI had 2,000 shares on issue.

During the period ended December 31, 2009 additional capital was contributed by way of assignment of loans by Reynolds Consumer Products (NZ) Limited ("RCPNZ") as:

(a) $58.7 million in exchange for assignment of a loan owing to RCPNZ from Reynolds Foil Inc.;

(b) $121.0 million in payment of a loan owing to RCPNZ;

(c) $34.4 million in exchange for assignment of a loan owing to RCPNZ from Reynolds Foil Inc.; and

(d) $26.9 million in payment of a loan owing to RCPNZ.

There were no new shares issued as a result of the above additional capital contributions.

The holder of shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to RCPHI's residual assets in the event of a wind-up.

Reynolds Consumer Products International B.V.

On January 1, 2009 RCPIBV had 180 shares on issue. On November 5, 2009 (the date of acquisition by the Group) RCPIBV had 181 shares on issue.

On November 3, 2009 RCPIBV issued 1 ordinary share for €100 per share to RCPNZ, its parent company at the time of issue, which contributed €15.0 million ($22.2 million) as a non-stipulated share premium to RCPIBV.

The holder of shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to RCPIBV's residual assets in the event of a wind-up.

Closure Systems International B.V.

On January 1, 2009 and November 5, 2009 (the date of acquisition by the Group) CSIBV had 180 shares on issue.

The holder of shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to CSIBV's residual assets in the event of a wind-up.

Reynolds Packaging International B.V.

On January 1, 2009, December 31, 2009 and September 1, 2010 (the date of acquisition by the Group) RPIBV had 180 shares on issue.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All ordinary shares rank equally with regard to RPIBV's residual assets in the event of a wind-up.

Reynolds Packaging Inc.

On January 1, 2009, December 31, 2009 and September 1, 2010 (the date of acquisition by the Group) RPI had 2,000 shares on issue.

The holder of common shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share. All shares rank equally with regard to RPI's residual assets in the event of a wind-up.

29.2 Reserves

(In $ million)	As at December 31 2010	2009	2008
Translation reserve	369.0	76.1	104.7
Hedging reserve	-	-	(11.5)
Other reserves	(1,560.9)	(513.3)	71.1
Balance	**(1,191.9)**	**(437.2)**	**164.3**

(a) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currencies to the Group's presentation currency.

(b) Hedging reserve

The hedging reserve comprised the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that had not yet occurred. On November 5, 2009, the 2007 SIG Senior Credit Facilities were repaid in full and as a result, the interest rate hedges became ineffective. In accordance with IAS 39, the cumulative hedge reserve balance at November 5, 2009 was transferred to the profit and loss section of the statement of comprehensive income.

(c) Other reserves

The other reserves comprise balances resulting from transactions with entities under common control.

In accordance with the Group's accounting policy for transactions under common control (refer to note 3.1(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010.

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions (the "P & C divisions").

29.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2010 (2009: nil; 2008: nil) by the Company.

On August 31, 2010 RPI paid a dividend of $39.0 million, of which $37.6 million was paid in cash and $1.4 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

29.4 Capital management

The Directors are responsible for monitoring and managing the Group's capital structure.

The Directors' policy is to maintain an acceptable capital base to promote the confidence of the Group's financiers and creditors and to sustain the future development of the business. The Directors monitor the Group's financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures, including for example to dispose of assets or operating segments of the business, alter its short to medium term plans in respect of capital projects and working capital levels, or to re-balance the level of equity and external debt in place.

Capital is comprised of equity and external borrowings.

30. Financial risk management

30.1 Overview

This note presents information about the Group's exposure to market risk, credit risk and liquidity risk, and where applicable, the Group's objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arises in the normal course of the Group's business. The Directors of the Group and the ultimate parent entity have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Directors have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Risk management is primarily carried out by the treasury function of the Group. The Directors have delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the treasury function.

Monthly combined treasury reports are prepared for the Directors and officers of the Group, who ensure compliance with the risk management policies and procedures.

30.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Group's cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes.

(a) Foreign exchange risk

As a result of the Group's international operations foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ("€"), Swiss Francs ("CHF"), Thai Baht ("THB"), Chinese Yuan Renminbi ("CNY"), Brazilian Real ("BRL"), British Pound ("GBP"), Japanese Yen ("JPY"), Mexican Pesos ("MXN"), New Zealand Dollars ("NZ$") and Canadian Dollars ("CA$").

In accordance with the Group's treasury policy, the Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

Exposure to foreign exchange risk

(In $ million)	€	CHF	THB	CNY	BRL	GBP	JPY	MXN	NZ$	CA$
December 31, 2010										
Cash and cash equivalents	81.4	4.8	8.2	32.4	6.5	6.9	16.8	8.5	0.7	13.8
Trade and other receivables	119.7	6.5	16.0	62.8	41.1	14.0	32.8	47.4	10.5	13.4
Non-current receivables	23.6	15.1	0.5	1.7	3.6	-	-	-	255.5	-
Trade and other payables	(150.3)	(14.3)	(16.4)	(50.5)	(21.7)	(10.2)	(61.5)	(15.7)	(9.7)	(2.5)
Current tax asset (liability)	(29.0)	(0.6)	(6.5)	(3.8)	(0.1)	(0.5)	(7.4)	2.9	-	(0.8)
Loans and borrowings:										
2009 Credit Agreement	(319.8)	-	-	-	-	-	-	-	-	-
2009 Notes	(584.7)	-	-	-	-	-	-	-	-	-
2007 Senior Notes	(620.7)	-	-	-	-	-	-	-	-	-
2007 Senior Subordinated Notes	(542.3)	-	-	-	-	-	-	-	-	-
Other borrowings	(2.0)	-	-	-	-	-	(0.4)	-	-	-
Related party borrowings	-	-	-	-	-	-	-	-	(0.7)	-
Total exposure	**(2,024.1)**	**11.5**	**1.8**	**42.6**	**29.4**	**10.2**	**(19.7)**	**43.1**	**256.3**	**23.9**
Embedded derivative	16.0	-	-	-	-	-	-	-	-	-
Commodity derivatives	-	-	-	-	-	-	1.2	-	(0.2)	-
Effect of derivative contracts	16.0	-	-	-	-	-	1.2	-	(0.2)	-
Net exposure	**(2,008.1)**	**11.5**	**1.8**	**42.6**	**29.4**	**10.2**	**(18.5)**	**43.1**	**256.1**	**23.9**

(In $ million)	€	CHF	THB	CNY	BRL	GBP	JPY	MXN	NZ$	CA$
December 31, 2009										
Cash and cash equivalents	90.1	17.5	10.8	41.9	8.3	12.6	7.9	6.3	-	10.0
Trade and other receivables	143.9	14.5	0.1	37.1	38.2	13.3	25.4	13.8	-	8.2
Non-current receivables	10.3	11.8	0.1	2.8	5.3	-	-	-	226.3	-
Trade and other payables	(121.1)	(14.1)	(14.5)	(59.7)	(16.1)	(9.4)	(41.7)	(16.1)	(31.8)	(5.0)
Current tax asset (liability)	(35.3)	(7.9)	(1.7)	(1.0)	6.0	-	(1.1)	1.1	31.5	(0.5)
Loans and borrowings:										
2009 Credit Agreement	(355.1)	-	-	-	-	-	-	-	-	-
2009 Notes	(630.1)	-	-	-	-	-	-	-	-	-
2007 Senior Notes	(668.6)	-	-	-	-	-	-	-	-	-
2007 Senior Subordinated Notes	(584.4)	-	-	-	-	-	-	-	-	-
CHH Facility	-	-	-	-	-	-	-	-	(559.8)	(28.0)
Other borrowings	(1.8)	-	-	(1.0)	-	-	(0.4)	-	-	-
Related party borrowings	-	-	-	-	-	-	-	-	(0.7)	-
Total exposure	**(2,152.1)**	**21.8**	**(5.2)**	**20.1**	**41.7**	**16.5**	**(9.9)**	**5.1**	**(334.5)**	**(15.3)**
Embedded derivative	2.9	-	-	-	-	-	-	-	-	-
Interest rate swaps	(10.8)	-	-	-	-	-	-	-	-	-
Effect of derivative contracts	(7.9)	-	-	-	-	-	-	-	-	-
Net exposure	**(2,160.0)**	**21.8**	**(5.2)**	**20.1**	**41.7**	**16.5**	**(9.9)**	**5.1**	**(334.5)**	**(15.3)**

Cash flows associated with derivatives are expected to occur and impact the profit and loss component of the statement of comprehensive income in the next 12 months.

In addition to the above, the Group is exposed to foreign exchange risk on future sales and purchases that are denominated in foreign currencies.

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31		As at December 31	
	2010	2009	2010	2009
1 €	1.33	1.39	1.33	1.44
1 CHF	0.96	0.92	1.07	0.97
100 THB	3.15	2.92	3.33	3.00
100 CNY	14.77	14.64	15.16	14.65
1 BRL	0.57	0.50	0.60	0.57
1 GBP	1.55	1.56	1.54	1.61
100 JPY	1.14	1.07	1.23	1.08
10 MXN	0.79	0.74	0.81	0.77
1 NZ$	0.72	0.62	0.77	0.73
1 CA$	0.97	0.88	1.00	0.95

Sensitivity analysis

A change in exchange rates would impact future payments and receipts of the Group's assets and liabilities denominated in foreign currencies. A 10% strengthening of the $ against the following currencies at the reporting date would have (increased) decreased comprehensive income in the statement of comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Comprehensive income for the period ended December 31	
(In $ million)	2010	2009
€	(200.8)	(215.8)
CHF	1.2	2.2
THB	0.2	(0.5)
CNY	4.3	2.0
BRL	2.9	4.2
GBP	1.0	1.7
JPY	(1.9)	(1.0)
MXN	4.3	0.5
NZ$	25.6	(33.5)
CA$	2.4	1.5

A 10% weakening of the $ against the above currencies at the reporting date would have the following effect:

	Comprehensive income for the period ended December 31	
(In $ million)	2010	2009
€	200.8	215.8
CHF	(1.2)	(2.2)
THB	(0.2)	0.5
CNY	(4.3)	(2.0)
BRL	(2.9)	(4.2)
GBP	(1.0)	(1.7)
JPY	1.9	1.0
MXN	(4.3)	(0.5)
NZ$	(25.6)	33.5
CA$	(2.4)	(1.5)

The Group's primary exposure to foreign exchange risk is on the translation of net assets of Group entities which are denominated in currencies other than $, which is the Group's reporting currency. The impact of movements in exchange rates is therefore recognized primarily in other comprehensive income.

Certain subsidiaries within the Group are exposed to foreign exchange risk on intercompany borrowings, sales and purchases denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the net operating profit recognized in the profit or loss component of the Group's statement of comprehensive income.

(b) Interest rate risk

The Group's interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group has exposure to both floating and fixed interest rates on borrowings primarily denominated in $ and €.

Interest rate risk on borrowings at floating rates is partially offset by interest earned on cash deposits also at floating rates.

The Group has adopted a policy, which is consistent with the covenants under the 2009 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

The following table sets out the Group's interest rate risk repricing profile:

(In $ million)	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500.0)	-	-	-	-	(1,500.0)
October 2010 Senior Notes	(1,500.0)	-	-	-	-	(1,500.0)
May 2010 Notes	(1,000.0)	-	-	-	-	(1,000.0)
2009 Notes of $1,125 million and €450 million (due Nov 5, 2016)	(1,723.3)	-	-	-	-	(1,723.3)
2007 Senior Notes of €480 million (due Dec 15, 2016)	(638.2)	-	-	-	-	(638.2)
2007 Senior Subordinated Notes of €420 million (due June 15, 2017)	(558.4)	-	-	-	-	(558.4)
Pactiv 2012 Notes	(249.3)	-	-	(249.3)	-	-
Pactiv 2017 Notes	(299.7)	-	-	-	-	(299.7)
Pactiv 2018 Notes	(15.7)	-	-	-	-	(15.7)
Pactiv 2025 Notes	(276.4)	-	-	-	-	(276.4)
Pactiv 2027 Notes	(200.0)	-	-	-	-	(200.0)
Other borrowings	(28.2)	(1.4)	(1.8)	(0.6)	(1.0)	(23.4)
Total fixed rate instruments	**(7,989.2)**	**(1.4)**	**(1.8)**	**(249.9)**	**(1.0)**	**(7,735.1)**
Floating rate instruments						
Cash and cash equivalents	663.8	663.8	-	-	-	-
Related party receivables	255.5	255.5	-	-	-	-
Bank overdrafts	(11.7)	(11.7)	-	-	-	-
Loans and borrowings:						
2009 Credit Agreement	(4,149.8)	(4,149.8)	-	-	-	-
Other borrowings	(3.3)	(3.3)	-	-	-	-
Total variable rate instruments	**(3,245.5)**	**(3,245.5)**	**-**	**-**	**-**	**-**
Total	**(11,234.7)**	**(3,246.9)**	**(1.8)**	**(249.9)**	**(1.0)**	**(7,735.1)**

(In $ million)	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2009						
Fixed rate instruments						
Interest rate SWAP on €305 million (4.71% till July 12, 2010)	(438.3)	-	(438.3)	-	-	-
Loans and borrowings:						
2009 Notes of $1,125 million and €450 million (due Nov 5, 2016)	(1,771.8)	-	-	-	-	(1,771.8)
2007 Senior Notes of €480 million (due Dec 15, 2016)	(689.8)	-	-	-	-	(689.8)
2007 Senior Subordinated Notes of €420 million (due June 15, 2017)	(603.5)	-	-	-	-	(603.5)
Other borrowings	(4.8)		(0.1)	(0.3)	(4.4)	
Total fixed rate instruments	**(3,508.2)**	**-**	**(438.4)**	**(0.3)**	**(4.4)**	**(3,065.1)**
Floating rate instruments						
Cash and cash equivalents	515.5	515.5	-	-	-	-
Related party receivables	322.2	262.9	-	59.3	-	-
Interest rate SWAP on €305 million (4.71% till July 12, 2010)	438.3	438.3	-	-	-	-
Bank overdraft	(1.1)	(1.1)	-	-	-	-
Loans and borrowings:				-		
2009 Credit Agreement	(1,394.2)	(1,394.2)	-	-	-	-
CHH Facility	(619.6)	(619.6)	-	-	-	-
Blue Ridge Facility	(43.1)	(43.1)	-	-	-	-
Other borrowings	(3.8)	(3.8)	-	-	-	-
Total variable rate instruments	**(785.8)**	**(845.1)**	**-**	**59.3**	**-**	**-**
Total	**(4,294.0)**	**(845.1)**	**(438.4)**	**59.0**	**(4.4)**	**(3,065.1)**

The Group's sensitivity to interest rate risk can be expressed in two ways:

Fair value sensitivity analysis

A change in interest rates impacts the fair value of the Group's fixed rate borrowings. Given all debt instruments are carried at amortized cost, a change in interest rates would not impact the profit or loss component of the statement of comprehensive income.

Cash flow sensitivity analysis

A change in interest rates would impact future interest payments and receipts on the Group's floating rate assets and liabilities. An increase in interest rates of 100 basis points at the reporting date would increase (decrease) the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for comparative periods.

As at December 31, 2010 most of the Group's debt has been issued with a fixed interest rate. While interest on the 2009 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor between 1.50% and 2.0%. Consequently reductions in interest rates have no impact on this facility. Furthermore, given current LIBOR/EURIBOR rates, a 1% increase in interest rates will still result in the Group paying interest based on the floor plus applicable margin on the portion of the 2009 Credit Agreement that is denominated in dollars.

	For the period ended December 31	
(In $ million)	2010	2009
100 basis point increase in interest rates	(4.7)	(5.5)
100 basis point decrease in interest rates	0.2	4.6

(c) Commodity and other price risk

Commodity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Group's exposure to commodity and other price risk arises principally from the purchase of resin, natural gas, raw cartonboard, PE resin, aluminum and steel. Other than resin, natural gas and certain aluminum purchases, the Group generally purchases these commodities at spot market prices and commodity financial instruments or derivatives to hedge commodity prices are not used.

The Group's objective is to ensure that its commodity and other price risk exposure is kept at an acceptable level. In accordance with the Group's treasury policy, the Group enters into derivative instruments to hedge the Group's exposure in relation to the cost of resin, natural gas and aluminum.

Resin derivative contracts

The Group enters into resin futures to hedge its exposure to resin price fluctuations. These contracts effectively manage price risk by reference to the difference between the fixed contract price and the market price.

At December 31, 2010 the Group held a number of futures contracts to hedge resin for delivery from between January 2011 and December 2011.

During the period ended December 31, 2010 the Group recognized a realized loss of $0.7 million (2009: $6.8 million; 2008: nil) as a component of cost of sales and an unrealized loss of $0.8 million (2009: unrealized gain of $9.8 million; 2008: unrealized loss of $9.3 million) as a component of other income in the profit and loss component of the statement of comprehensive income related to its resin derivative contracts.

The impact on the statement of comprehensive income (profit and loss) from a revaluation of resin contracts at December 31, 2010 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a loss of $0.1 million (2009: gain of $1.0 million; 2008: loss of $0.9 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income (profit and loss).

Aluminum derivative contracts

Swaps

The Group enters into aluminum swap contracts to hedge its exposure to aluminum price fluctuations. These contracts effectively manage price risk by reference to the difference between the fixed contract price and the market price. That difference is paid or received after the trading period.

At December 31, 2010 the Group held a number of aluminum swap contracts. Contracted volumes of approximately 38,459 metric tons (2009: 35,790 metric tons) have been fixed at a range of prices between $1,962 and $2,496 per ton (2009: $1,572 and $3,048 per ton), for delivery from January 2011 to January 2012. During the period ended December 31, 2010 the Group recognized a realized loss of $8.3 million (2009: realized loss of $103.0 million; 2008: realized loss of $45.4 million) as a component of cost of sales, and an unrealized gain of $2.8 million (2009: unrealized gain of $114.9 million; 2008: unrealized loss of $142.5 million) as a component of other income in the profit and loss component of the statement of comprehensive income.

The impact on the statement of comprehensive income (profit and loss) from a revaluation of aluminum swap contracts at December 31, 2010 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $0.3 million (2009: gain of $11.5 million; 2008: loss of $14.3 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income (profit and loss).

Options

The Group entered into option contracts to hedge its exposure against price movements in the price of aluminum. These contracts gave the Group the right to sell aluminum at a fixed contract price for a premium or discount.

There were no outstanding option contracts at December 31, 2010 (2009: nil). During the period ended December 31, 2010 the Group recognized a realized gain of nil (2009: nil; 2008: nil) as a component of cost of sales and no unrealized gain or loss (2009: nil; 2008: unrealized gain of $0.3 million) as a component of other expenses in the profit and loss component of the statement of comprehensive income related to its option contracts.

Natural gas derivative contracts

The Group enters into natural gas swaps to hedge its exposure to natural gas price fluctuations. These contracts effectively manage price risk by reference to the difference between the fixed contract price and the market price. That difference is paid or received after the trading period.

At December 31, 2010 the Group held a number of contracts for differences covering periods from January 2011 to December 2011. Contracted volumes of approximately 1,508,789 MMBtu (2009: 284,000 MMBtu) have been fixed at a range of prices between $4.50 and $5.88 per MMBtu (2009: $4.56 and $6.23 per MMBtu) for delivery from January 2011 to December 2011. During the period ended December 31, 2010 the Group recognized a realized loss of $2.1 million (2009: realized loss of $2.4 million; 2008: nil) as a component of cost of sales and a $0.8 million unrealized loss (2009: nil; 2008: unrealized loss of $0.8 million) as a component of other income in the profit and loss component of the statement of comprehensive income related to its natural gas derivative contracts.

The impact on the statement of comprehensive income (profit or loss) from a revaluation of natural gas contracts at December 31, 2010 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is $0.1 million (2009: nil; 2008: loss of $0.1 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income (profit or loss).

30.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related entities.

Given the diverse range of operations and customers across the Group, the Directors have delegated authority for credit control procedures to each of the operating businesses within the Group. Each operating business is responsible for managing its own credit control procedures. These include but are not limited to reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade. If considered appropriate the operating business may take out insurance for specific debtors.

Generally the Group does not require collateral in respect of trade and other receivables. Goods are generally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. For certain sales letters of credit are obtained.

The Group's exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 17.

Historically there has been a low level of losses resulting from default by customers and related entities. The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by making deposits and entering into derivative instruments with counterparties that have a credit rating of at least investment grade. Given these high credit ratings, management does not expect any such counterparty to fail to meet its obligations.

30.4 Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with bank covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. At December 31, 2010 the Group had undrawn lines of credit under the revolving facilities of the 2009 Credit Agreement totaling $71.2 million and €56.0 million ($74.4 million) (2009: $104.9 million and €60.0 million ($86.2 million)) and the Blue Ridge Facility totaling nil (2009: $4.5 million). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

The following table sets out contractual cash flows for all financial liabilities including commodity derivatives.

(In $ million)	Carrying amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2010							
Non-derivative financial liabilities							
Bank overdrafts	(11.7)	(11.7)	(11.7)	-	-	-	-
Trade and other payables	(1,247.5)	(1,247.5)	(1,247.5)	-	-	-	-
Non-current payables	(8.3)	(8.3)	-	-	(8.3)	-	-
Loans and borrow ings							
2009 Credit Agreement*	(4,026.2)	(5,381.7)	(176.3)	(197.5)	(419.4)	(1,986.4)	(2,602.1)
October 2010 Senior Secured Notes	(1,470.2)	(2,408.1)	(53.4)	(53.4)	(106.8)	(320.4)	(1,874.1)
October 2010 Senior Notes	(1,463.8)	(2,647.5)	(67.5)	(67.5)	(135.0)	(405.0)	(1,972.5)
May 2010 Notes	(977.6)	(1,637.5)	(42.5)	(42.5)	(85.0)	(255.0)	(1,212.5)
2009 Notes	(1,647.6)	(2,524.8)	(66.8)	(66.8)	(133.6)	(400.7)	(1,856.9)
2007 Senior Notes	(620.7)	(944.6)	(25.5)	(25.5)	(51.1)	(153.2)	(689.3)
2007 Senior Subordinated Notes	(542.3)	(903.3)	(26.5)	(26.5)	(53.1)	(159.2)	(638.0)
Pactiv 2012 Notes	(260.9)	(278.5)	(7.3)	(7.3)	(263.9)	-	-
Pactiv 2017 Notes	(315.9)	(458.1)	(12.2)	(12.2)	(24.4)	(73.1)	(336.2)
Pactiv 2018 Notes	(16.4)	(23.2)	(0.5)	(0.5)	(1.0)	(3.0)	(18.2)
Pactiv 2025 Notes	(269.5)	(606.0)	(11.0)	(11.0)	(22.0)	(65.9)	(496.1)
Pactiv 2027 Notes	(197.0)	(476.5)	(8.4)	(8.4)	(16.8)	(50.3)	(392.6)
Related party borrow ings	(0.7)	(0.7)	(0.7)	-	-	-	-
Other borrow ings	(31.5)	(40.7)	(3.3)	(3.3)	(1.5)	(6.3)	(26.3)
	(13,107.8)	**(19,598.7)**	**(1,761.1)**	**(522.4)**	**(1,321.9)**	**(3,878.5)**	**(12,114.8)**
Derivative financial liabilities							
Commodity derivatives							
Inflow s	10.7	51.6	34.9	16.6	0.1	-	-
Outflow s	-	(40.9)	(25.4)	(15.5)	-	-	-
	10.7	**10.7**	**9.5**	**1.1**	**0.1**	**-**	**-**
Total	**(13,097.1)**	**(19,588.0)**	**(1,751.6)**	**(521.3)**	**(1,321.8)**	**(3,878.5)**	**(12,114.8)**

* Refer to note 39 for changes to the Group's borrowings subsequent to December 31, 2010.

(In $ million)	Carrying amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2009							
Non-derivative financial liabilities							
Bank overdrafts	(1.1)	(1.1)	(1.1)	-	-	-	-
Trade and other payables	(760.7)	(760.7)	(760.7)	-	-	-	-
Non-current payables	(28.4)	(28.4)	-	-	(28.4)	-	-
Loans and borrowings							
2009 Credit Agreement	(1,343.6)	(1,808.1)	(60.9)	(60.3)	(153.0)	(594.5)	(939.4)
2007 Senior Notes	(668.6)	(1,073.7)	(27.6)	(27.6)	(55.2)	(165.5)	(797.8)
2007 Senior Subordinated Notes	(584.4)	(1,031.3)	(28.7)	(28.7)	(57.5)	(172.0)	(744.4)
2009 Notes	(1,687.8)	(2,706.9)	(68.7)	(68.7)	(137.4)	(412.3)	(2,019.8)
CHH Facility	(617.3)	(663.7)	(23.5)	(28.3)	(38.1)	(573.8)	-
Blue Ridge Facility	(43.1)	(44.0)	(0.8)	(43.2)	-	-	-
Related party borrowings	(0.7)	(0.7)	(0.7)	-	-	-	-
Other borrowings	(8.6)	(8.6)	(1.3)	(2.4)	(3.3)	(1.0)	(0.6)
	(5,744.3)	**(8,127.2)**	**(974.0)**	**(259.2)**	**(472.9)**	**(1,919.1)**	**(4,502.0)**
Derivative financial liabilities							
Interest rate SWAP on €305 million (4.71% till July 12, 2010)	(10.8)	(10.8)	(10.2)	(0.6)	-	-	-
Commodity derivatives							
Inflows	(4.5)	1.3	0.5	0.8	-	-	-
Outflows	-	(5.8)	(5.8)	-	-	-	-
	(15.3)	**(15.3)**	**(15.5)**	**0.2**	**-**	**-**	**-**
Total	**(5,759.6)**	**(8,142.5)**	**(989.5)**	**(259.0)**	**(472.9)**	**(1,919.1)**	**(4,502.0)**

30.5 Classification and fair values

(In $ million)	Fair value through the profit or loss	Derivatives held for hedging	Held to maturity	Loans and receivables	Other liabilities	Total carrying amount	Fair value
December 31, 2010							
Assets							
Cash and cash equivalents	-	-	-	663.8	-	663.8	663.8
Current and non-current	-	-	-	1,453.3	-	1,453.3	1,453.3
Derivative financial assets							
Commodity contracts	11.9	-	-	-	-	11.9	11.9
Embedded derivatives	86.9	-	-	-	-	86.9	86.9
Total assets	**98.8**	**-**	**-**	**2,117.1**	**-**	**2,215.9**	**2,215.9**
Liabilities							
Bank overdrafts	-	-	-	-	(11.7)	(11.7)	(11.7)
Trade and other payables	-	-	-	-	(1,247.5)	(1,247.5)	(1,247.5)
Other payables	-	-	-	-	(8.3)	(8.3)	(8.3)
Derivative financial liabilities							
Commodity contracts	(1.2)	-	-	-	-	(1.2)	(1.2)
Loans and borrowings							
2009 Credit Agreement	-	-	-	-	(4,026.2)	(4,026.2)	(4,149.8)
October 2010 Senior Secured Notes	-	-	-	-	(1,470.2)	(1,470.2)	(1,552.5)
October 2010 Senior Notes	-	-	-	-	(1,463.8)	(1,463.8)	(1,548.8)
May 2010 Notes	-	-	-	-	(977.6)	(977.6)	(1,015.0)
2009 Notes	-	-	-	-	(1,647.6)	(1,647.6)	(1,810.3)
2007 Senior Notes	-	-	-	-	(620.7)	(620.7)	(640.8)
2007 Senior Subordinated Notes	-	-	-	-	(542.3)	(542.3)	(575.3)
Pactiv 2012 Notes	-	-	-	-	(260.9)	(260.9)	(257.4)
Pactiv 2017 Notes	-	-	-	-	(315.9)	(315.9)	(297.0)
Pactiv 2018 Notes	-	-	-	-	(16.4)	(16.4)	(14.6)
Pactiv 2025 Notes	-	-	-	-	(269.5)	(269.5)	(236.3)
Pactiv 2027 Notes	-	-	-	-	(197.0)	(197.0)	(178.5)
Related party borrowings	-	-	-	-	(0.7)	(0.7)	(0.7)
Other borrowings	-	-	-	-	(31.5)	(31.5)	(31.5)
Total liabilities	**(1.2)**	**-**	**-**	**-**	**(13,107.8)**	**(13,109.0)**	**(13,577.2)**

(In $ million)	Fair value through the profit or loss	Derivatives held for hedging	Held to maturity	Loans and receivables	Other liabilities	Total carrying amount	Fair value
December 31, 2009							
Assets							
Cash and cash equivalents	-	-	-	515.5	-	515.5	515.5
Current and non-current receivables	-	-	-	1,022.9	-	1,022.9	1,022.9
Derivative financial assets						-	-
Commodity contracts	6.3	-	-	-	-	6.3	6.3
Embedded derivatives	16.8	-	-	-	-	16.8	16.8
Total assets	**23.1**	**-**	**-**	**1,538.4**	**-**	**1,561.5**	**1,561.5**
Liabilities							
Bank overdrafts	-	-	-	-	(1.1)	(1.1)	(1.1)
Trade and other payables	-	-	-	-	(760.7)	(760.7)	(760.7)
Other payables	-	-	-	-	(28.4)	(28.4)	(28.4)
Derivative financial liabilities							
Interest rate swap	(10.8)	-	-	-	-	(10.8)	(10.8)
Commodity contracts	(4.5)	-	-	-	-	(4.5)	(4.5)
Loans and borrowings							
2009 Credit Agreement	-	-	-	-	(1,343.6)	(1,343.6)	(1,394.2)
2009 Notes	-	-	-	-	(1,687.8)	(1,687.8)	(1,791.9)
2007 Senior Notes	-	-	-	-	(668.6)	(668.6)	(660.3)
2007 Senior Subordinated Notes	-	-	-	-	(584.4)	(584.4)	(593.0)
CHH Facility	-	-	-	-	(617.3)	(617.3)	(617.3)
Blue Ridge Facility	-	-	-	-	(43.1)	(43.1)	(43.1)
Related party borrowings	-	-	-	-	(0.7)	(0.7)	(0.7)
Other borrowings	-	-	-	-	(8.6)	(8.6)	(8.6)
Other liabilities	-	-	-	-	(2.0)	(2.0)	(2.0)
Total liabilities	**(15.3)**	**-**	**-**	**-**	**(5,746.3)**	**(5,761.6)**	**(5,916.6)**

The methods used in determining fair values of financial instruments are disclosed in note 5.

30.6 Fair value measurements recognized in the statement of comprehensive income

The following table sets out an analysis of the Group's financial instruments that are measured subsequent to initial recognition at fair value and are grouped into levels based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(In $ million)	Level 1	Level 2	Level 3	Total
December 31, 2010				
Financial assets at fair value through profit or loss				
Derivative financial assets				
Commodity derivatives, net	-	10.7	-	10.7
Embedded derivatives	-	86.9	-	86.9
Total	**-**	**97.6**	**-**	**97.6**
Financial liabilities at fair value through profit or loss	-	-	-	-
Total	**-**	**-**	**-**	**-**
December 31, 2009				
Financial assets at fair value through profit or loss				
Derivative financial assets				
Commodity derivatives, net	-	1.8	-	1.8
Embedded derivatives	-	16.8	-	16.8
Total	**-**	**18.6**	**-**	**18.6**
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Interest rate SWAP on €305 million (4.71% till July 12, 2010)	-	(10.8)	-	(10.8)
Total	**-**	**(10.8)**	**-**	**(10.8)**

There were no transfers between any levels during the period ended December 31, 2010 (2009: nil).

31. Related parties

Parent and ultimate controlling party

The immediate parent of the Group is Packaging Finance Limited, the ultimate parent of the Group is Packaging Holdings Limited and the ultimate shareholder is Mr. Graeme Hart.

Transactions with key management personnel

Key management personnel compensation comprised:

	As at December 31		
(In $ million)	2010	2009	2008
Short-term employee benefits	10.5	8.4	7.3
Management fees	0.8	2.5	1.8
Total compensation expense to key management personnel	**11.3**	**10.9**	**9.1**

There have been no transactions with key management personnel (2009: nil; 2008: nil). No balances due from key management personnel have been written off or forgiven during the period (2009: nil; 2008: nil).

Related party transactions

The entities, the nature of the relationship and the types of transactions with which the Group entered into related party transactions during the periods are detailed below:

Entity name	Nature of relationship	Nature of transactions
Packaging Holdings Limited	Ultimate parent	Financing (loan), novation of loan, funding (c)(d)
BPC Finance (N.Z.) Limited	Common ultimate shareholder	Transfer of tax losses, loans from related party(c)
BPC United States Inc.	Common ultimate shareholder	Management fees, trade receivables, loan to related party, sale of property, plant and equipment (e) (g)
Burns Philp Canada Group Limited	Common ultimate shareholder	Loan to related party(f)
Carter Holt Harvey Corrugated Packaging Pty Limited	Common ultimate shareholder	Sale of goods
Carter Holt Harvey Limited	Common ultimate shareholder	Trade receivables, trade payables, loans from related party, transfer of tax losses, interest expense, sale of goods, settlement of loan, purchase of Whakatane Mill (c)(h)
Carter Holt Harvey Packaging Pty Limited	Common ultimate shareholder	Trade payables, trade receivables, sale of goods
Carter Holt Harvey Pulp & Paper Limited	Common ultimate shareholder	Trade receivables, trade payables, sale of goods, purchase of goods
Closure Systems International (NZ)	Common ultimate shareholder	Trade payables
Evergreen Packaging New Zealand Limited	Common ultimate shareholder	Trade payables, loan from related party, settlement of loan(i), interest
Evergreen Packaging US	Common ultimate shareholder	Trade payables
Nerva Investments Limited	Common ultimate shareholder	Transfer of tax losses
Rank Group Investments Limited	Common ultimate shareholder	Transfer of tax losses
Rank Group Limited	Common ultimate shareholder	Trade payables, loan to related party (b), aluminum hedge novation, interest income, reimbursement of marketing expenses, recharges, advances to related party
Reynolds Consumer Products (NZ) Limited	Common ultimate shareholder	Trade receivables, loan from related party with interest at 6.21%, loan repayment in consideration for issue of shares, novation of loans, loan repayments
Reynolds Packaging (NZ) Limited	Common ultimate shareholder	Trade payables, dividends paid
Reynolds Packaging Group (NZ) Limited	Common ultimate shareholder	Trade payables
Reynolds Treasury (NZ) Limited	Common ultimate shareholder	Loans from related party with interest at USD Libor + 4.5%, repayment of loan and interest
SIG Combibloc Obeikan FZCO	Joint venture	Sales of goods and services(a), sale of non-current assets
SIG Combibloc Obeikan Company Limited	Joint venture	Production(a)

(In $ million)	Transaction values for the period ended December 31			Balances outstanding as at December 31	
	2010	2009	2008	2010	2009
Transactions with the immediate and ultimate parent companies					
Loan repayment and loan novation in consideration for issues of shares to immediate parent [c]	-	109.4	-	-	-
Due to ultimate parent[d]	-	-	-	(0.7)	(0.7)
Funding	(0.1)	-	-	-	-
Transactions with joint ventures					
Sale of goods and services[a]	121.7	96.1	94.5	29.3	24.0
Purchase of goods[a]	-	(3.6)	-	(3.2)	(3.7)
Sale of non-current assets	7.0	-	-	-	-
Transactions with other related parties					
Trade receivables					
BPC United States Inc.	-	-	-	1.2	0.1
Sale of property, plant and equipment[g]	2.7	-	-	-	-
Carter Holt Harvey Corrugated Packaging Pty Limited	-	-	-	-	-
Sale of goods	0.2	-	-	-	-
Carter Holt Harvey Limited	-	-	-	1.1	-
Sale of goods	14.4	-	-	-	-
Carter Holt Harvey Packaging Pty Limited	-	-	-	4.1	-
Sale of goods	19.7	-	-	-	-
Carter Holt Harvey Pulp & Paper Limited	-	-	-	0.4	-
Sale of goods	2.0	-	-	-	-
Rank Group Limited – reimbursement of marketing expenses	-	7.5	-	-	-
Reynolds Consumer Products (NZ) Limited	-	3.8	-	-	3.9
Reynolds Packaging Group (NZ) Limited	-	(9.3)	-	-	-
Reynolds Treasury (NZ) Limited	-	-	-	-	23.6
Advances	0.3	23.0	-	-	-
Interest charged	0.9	0.6	0.6	-	-
Repayment	24.6	-	-	-	-
Trade payables					
BPC United States Inc.	-	-	-	-	-
Management fees	(0.8)	(2.5)	(1.7)	-	-
Recharges	-	(2.5)	(2.4)	-	-
Burns Philp Canada Group Limited	-	-	(0.6)	-	-
Carter Holt Harvey Limited	-	-	-	(1.1)	(0.1)
Purchase of goods	(1.1)	-	-	-	-
Purchase of Whakatane Mill[h]	(45.6)	-	-	-	-
Carter Holt Harvey Packaging Pty Limited	-	-	-	(0.2)	-
Carter Holt Harvey Pulp & Paper Limited	-	-	(0.4)	(3.4)	-
Purchase of goods	(25.0)	-	-	-	-
Closure Systems International (NZ) Limited	-	(7.2)	-	-	(7.5)
Evergreen Packaging New Zealand Limited	(18.2)	-	-	-	-
Evergreen Packaging US	(11.4)	-	-	-	-
Rank Group Limited	-	-	(0.1)	(9.7)	(0.2)
Novation of aluminum hedge contract	-	-	(32.8)	-	-
Recharges	(43.1)	(15.8)	-	-	-
Reynolds Packaging (NZ) Limited	(44.6)	(0.6)	-	(0.6)	(0.6)
Dividends paid	(39.0)	-	-	-	-
Reynolds Packaging Group (NZ) Limited	-	(0.4)	-	(0.4)	(0.6)
Reynolds Treasury (NZ) Limited	-	-	-	-	(0.7)
Loan advanced	-	-	(58.5)	-	-
Interest charged	-	(1.9)	(2.9)	-	-
Recharges	-	0.4	-	-	-

(In $ million)	Transaction values for the period ended December 31			Balances outstanding as at December 31	
	2010	2009	2008	2010	2009
Loans receivable					
BPC United States Inc.[e]	-	-	0.2	-	11.7
Repayments	11.7	-	-	-	-
Burns Philp Canada Group Limited[f]	-	-	-	-	0.3
Interest charged	-	0.1	-	-	-
Repayments	0.3	-	-	-	-
Rank Group Limited [b]	-	-	-	255.5	226.3
Interest charged	14.0	11.6	19.6	-	-
Advances	-	(0.6)	211.7	-	-
Reynolds Consumer Products (NZ) Limited		-	-	-	59.3
Advances	-	58.7	-	-	-
Interest charged	1.9	0.6	-	-	-
Novation of loan	1.4	-	-	-	-
Repayment of loan	61.1	-	-	-	-
Reynolds Treasury (NZ) Limited	-	-	-	-	-
Interest	-	0.1	-	-	-
Hedge deposit	-	(16.6)	-	-	-
Transfer	-	(34.4)	-	-	-
Repayments	-	(17.8)	-	-	-
Loans payable					
BPC Finance (N.Z.) Limited	-	-	-	-	-
Novation of loan	-	342.4	-	-	-
Carter Holt Harvey Limited [c]	-	-	-	-	-
Interest charged	-	(17.3)	(43.4)	-	-
Advances from related party	-	-	(5.1)	-	-
Novation of loan	-	338.2	-	-	-
Evergreen Packaging New Zealand Limited[i]	-	-	-	-	-
Interest charged	-	(0.5)	(1.1)	-	-
Reynolds Consumer Products (NZ) Limited [k]	-	-	-	-	-
Loan advanced	-	-	(110.0)	-	-
Interest charged	-	(5.9)	(6.4)	-	-
Repayment by way of assignment of loans	-	121.0	-	-	-
Receivable related to transfer of tax losses to:					
Carter Holt Harvey Limited	4.7	-	-	4.9	-
CFC Tax Liability					
BPC Finance (N.Z.) Limited	-	(11.2)	-	(3.3)	(15.5)
Repayments	(11.2)	-	-	-	-
Nerva Investments Limited	-	(9.0)	-	-	(12.4)
Repayments	(11.3)	-	-	-	-
Rank Group Investments Limited	-	(0.9)	-	(1.8)	(1.1)

(a) All transactions with joint ventures are conducted on an arm's length basis and are settled in cash. Sales of goods and services are negotiated on a cost-plus basis allowing a margin ranging from 3% to 6%. All amounts are unsecured, non-interest bearing and repayable on demand.

(b) The advance due from Rank Group Limited accrues interest at a rate based on the average three month New Zealand bank bill rate, set quarterly, plus a margin of 3.25%. Interest is only charged or accrued if demanded by the lender. During the period ended December 31, 2010, interest was charged at 5.98% to 6.47% (2009: 6.02% to 6.92%). The advance is unsecured and repayable on demand. This loan is subordinated on terms such that no payments can be made until the obligations under a senior secured credit facility are repaid in full.

(c) The following intercompany loans involved CHHL:

(i) On September 29, 2009, loans payable by the Group to BPCF in the amount of NZ$478.3 million ($342.4 million), CHHL in the amount of NZ$472.5 million ($338.2 million) and PHL in the amount of NZ$95.9 million ($68.6 million) were novated in exchange for the issue of 1 ordinary share to PFL at an issue price of NZ$1,046.7 million ($749.2 million). Prior to novation, the advance due to CHHL bore interest at a rate based on the average three month New Zealand bank bill rate plus a margin of 4%. During the period ended December 31, 2009, interest was charged at 6.79% to 7.67%.

(ii) Intercompany loans arising from a Payment in Kind (PIK) note which provided for interest based upon a fixed rate of 9%, compounded semi-annually.

(iii) Intercompany loan bearing interest at the US bill rate plus a margin of 1.75%. Amounts are unsecured and payable on demand.

(iv) This amount bore interest at the AFR rate with interest of 0.6% to 0.8% charged during the period ended December 31, 2009.

(v) On February 19, 2009, CHHL assigned a loan payable by the Group of €47.4 million ($60.7 million) to Evergreen Packaging Holdings Limited for an issue of shares, subsequently assigned to Evergreen Packaging New Zealand Limited and then to Evergreen Packaging Antilles N.V. for an issue of shares and converted to equity in Evergreen Packaging International B.V. (a member of the Group). Refer to note 29.

(d) The advance due to PHL is non-interest bearing, unsecured and repayable on demand.

(e) The advance due from BPC United States Inc. accrued interest at a rate based upon the AFR rate, set monthly. Amounts are unsecured and payable on demand.

(f) The advance due from Burns Philp Canada Group Limited was non-interest bearing and unsecured.

(g) On April 29, 2010, Blue Ridge Paper Products Inc. sold land and buildings held in Richmond to BPC United States Inc. The consideration paid was the net book value of the assets at the date of sale, being $2.7 million.

(h) On May 4, 2010, the Group acquired the Whakatane Mill for a purchase price of $48.0 million, being the fair value of the net assets at the date purchased, from CHHL. The consideration paid to the seller of the assets was subject to certain post-closing adjustments relating to the closing net working capital, reimbursable wages and other stub period adjustments. The post-closing adjustments resulted in CHHL owing the Group an amount of $2.4 million which was paid during the period ended December 31, 2010.

(i) The transactions with Evergreen Packaging New Zealand Limited arise from the following agreements which were settled as of December 31, 2009:

(i) a dollar bond bearing interest at a fixed rate of 6.9%.

(ii) a dollar loan bearing interest at a rate based upon the three-month LIBOR, set quarterly, plus a margin of 1.75%.

(iii) a dollar loan bearing interest at a rate based upon the one-month LIBOR, set monthly, plus a margin of 1.75%.

(j) On August 14, 2009, the Company issued to its sole shareholder, PFL, 60,000,000 fully paid ordinary shares at an issue price of NZ$1.00 per share (total NZ$60.0 million or $40.8 million) in exchange for payment of outstanding related party borrowings.

(k) The loan held by RCP NZ was assigned to Reynolds Consumer Products Holdings Inc. (“RCPHI”) and repaid by contribution of additional capital of $121.0 million to RCPHI.

32. Group entities

	Reporting date	Country of incorporation	Ownership interest (%) 2010	Ownership interest (%) 2009	Voting interest (%) 2010
Alusud Argentina S.R.L.	Dec-31	Argentina	100	100	100
SIG Combibloc Argentina S.R.L.	Dec-31	Argentina	100	100	100
Whakatane Mill Australia Pty Limited (a)	Dec-31	Australia	100	-	100
SIG Austria Holding GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH & Co. KG	Dec-31	Austria	100	100	100
Gulf Closures W.L.L.(b)	Dec-31	Bahrain	49	49	49
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Dec-31	Brazil	100	100	100
SIG Beverages Brasil Ltda	Dec-31	Brazil	100	100	100
SIG Combibloc Do Brasil Ltda	Dec-31	Brazil	100	100	100
CSI Latin American Holdings Corporation	Dec-31	British Virgin Islands	100	100	100
Reynolds Consumer Products Bulgaria EOOD	Dec-31	Bulgaria	100	100	100
798795 Ontario Limited (c)	Dec-31	Canada	100	-	100
Closure Systems International (Canada) Limited	Dec-31	Canada	100	100	100
Evergreen Packaging Canada Limited	Dec-31	Canada	100	100	100
Newspring Canada, Inc. (c)	Dec-31	Canada	100	-	100
Pactiv Canada, Inc. (c)	Dec-31	Canada	100	-	100
Reynolds Food Packaging Canada Inc.	Dec-31	Canada	100	100	100
Crystal Insurance Comp. Ltd.	Dec-31	Channel Islands	100	100	100
SIG Asset Holdings Limited	Dec-31	Channel Islands	100	100	100
Alusud Embalajes Chile Ltda.	Dec-31	Chile	100	100	100
SIG Combibloc Chile Limitada	Dec-31	Chile	100	100	100
Closure Systems International (Guangzhou) Limited	Dec-31	China	100	100	100
Closure Systems International (Wuhan) Limited	Dec-31	China	100	100	100
CSI Closure Systems (Hangzhou) Co., Ltd.	Dec-31	China	100	100	100
CSI Closure Systems (Tianjin) Co., Ltd.	Dec-31	China	100	100	100
Dongguan Pactiv Packaging Co., Ltd (c)	Dec-31	China	51	-	51
Evergreen Packaging (Shanghai) Co., Limited	Dec-31	China	100	100	100
Reynolds Metals (Shanghai) Ltd.	Dec-31	China	100	100	100
SIG Combibloc (Suzhou) Co. Ltd.	Dec-31	China	100	100	100
SIG Combibloc Packaging Technology Services (Shanghai) Co. Ltd. (In liquidation)	Dec-31	China	100	100	100
Zhejing Zhongbao Packaging Co., Ltd (c)	Dec-31	China	62.5	-	62.5
Alusud Embalajes Colombia Ltda.	Dec-31	Colombia	100	100	100
CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada	Dec-31	Costa Rica	100	100	100
SIG Combibloc s.r.o.	Dec-31	Czech Republic	100	100	100
Closure Systems International (Egypt) LLC	Dec-31	Egypt	100	100	100
Evergreen Packaging de El Salvador S.A. de C.V.	Dec-31	El Salvador	100	100	100
SIG Combibloc S.a r.l.	Dec-31	France	100	100	100
Closure Systems International Deutschland GmbH	Dec-31	Germany	100	100	100
Closure Systems International Holdings (Germany) GmbH	Dec-31	Germany	100	100	100
Omni-Pac Ekco Gmbh Verpackungsmittel (c)	Dec-31	Germany	100	-	100
Omni-Pac Gmbh Verpackungsmittel (c)	Dec-31	Germany	100	-	100
Pactiv Deutschland Holdinggesellschaft mbH (c)	Dec-31	Germany	100	-	100
Pactiv Forest Products GmbH (c)	Dec-31	Germany	100	-	100
Pactiv Hamburg Holdings GmbH (c)	Dec-31	Germany	100	-	100
SIG Beverages Germany GmbH	Dec-31	Germany	100	100	100
SIG Combibloc GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Holding GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Systems GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Zerspanungstechnik GmbH	Dec-31	Germany	100	100	100

	Reporting date	Country of incorporation	Ownership interest (%) 2010	2009	Voting interest (%) 2010
SIG Euro Holding AG & Co. KGaA	Dec-31	Germany	100	100	100
SIG Information Technology GmbH	Dec-31	Germany	100	100	100
SIG International Services GmbH	Dec-31	Germany	100	100	100
SIG Vietnam Beteiligungs GmbH	Dec-31	Germany	100	100	100
Closure Systems International (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Evergreen Packaging (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
SIG Combibloc Limited	Dec-31	Hong Kong	100	100	100
Closure Systems International Holdings (Hungary) Kft.	Dec-31	Hungary	100	100	100
CSI Hungary Manufacturing and Trading Limited Liability Company	Dec-31	Hungary	100	100	100
SIG Combibloc Kft.	Dec-31	Hungary	100	100	100
Closure Systems International (I) Private Limited	Mar-31	India	100	100	100
SIG Beverage Machinery and Systems (India) Pvt. Ltd. (In liquidation)	Dec-31	India	100	100	100
Ha'Lakoach He'Neeman H'Sheeshim Ou'Shenayim Ltd. (c)	Dec-31	Israel	100	-	100
SIG Combibloc S.r.l.	Dec-31	Italy	100	100	100
Closure Systems International Holdings (Japan) KK	Dec-31	Japan	100	100	100
Closure Systems International Japan, Limited	Dec-31	Japan	100	100	100
Closure Systems International (Korea), Ltd. (d)	Dec-31	Korea	100	51	100
Evergreen Packaging Korea Limited	Dec-31	Korea	100	100	100
SIG Combibloc Korea Ltd.	Dec-31	Korea	100	100	100
Beverage Packaging Holdings (Luxembourg) I S.A.	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) II S.A.	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) III S.à r.l.	Dec-31	Luxembourg	100	100	100
Closure Systems International (Luxembourg) S.à r.l. (e)	Dec-31	Luxembourg	-	100	-
Evergreen Packaging (Luxembourg) S.à r.l. (f)	Dec-31	Luxembourg	100	-	100
Reynolds Consumer Products (Luxembourg) S.à r.l. (e)	Dec-31	Luxembourg	-	100	-
Reynolds Group Issuer (Luxembourg) S.A.	Dec-31	Luxembourg	100	100	100
RGHL Escrow Issuer (Luxembourg) I S.A. (p)	Dec-31	Luxembourg	-	-	-
SIG Finance (Luxembourg) S.à r.l. (In liquidation)	Dec-31	Luxembourg	100	100	100
Bienes Industriales del Norte, S.A. de C.V.	Dec-31	Mexico	100	100	100
Central de Bolsas S. de R.L. de C.V. (c)	Dec-31	Mexico	100	-	100
CSI En Ensenada, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI En Saltillo, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI Tecniservicio, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Evergreen Packaging Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Grupo Corporativo Jaguar, S.A. de C.V. (c)	Dec-31	Mexico	100	-	100
Grupo CSI de México, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Maxpack, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Middle America M.A., S.A. de C.V. (In liquidation)	Dec-31	Mexico	100	100	100
Pactiv Mexico, S. de R.L. de C.V. (c)	Dec-31	Mexico	100	-	100
Reynolds Metals Company de Mexico, S. de R.L.. de C.V.	Dec-31	Mexico	100	100	100
Servicio Terrestre Jaguar, S.A. de C.V. (c)	Dec-31	Mexico	100	-	100
Servicios Industriales Jaguar, S.A. de C.V. (c)	Dec-31	Mexico	100	-	100
Servicios Integrales de Operacion S.A. de C.V. (c)	Dec-31	Mexico	100	-	100
SIG Combibloc México S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Simonazzi México S.A. de C.V. (In liquidation)	Dec-31	Mexico	100	100	100
Tecnicos de Tapas Innovativas, S.A. de C.V.	Dec-31	Mexico	100	100	100
Closure Systems International Nepal Private Limited	Jul-15	Nepal	76	76	76
Beverage Packaging Holdings (Netherlands) B.V.	Dec-31	Netherlands	100	100	100
Closure Systems International B.V.	Dec-31	Netherlands	100	100	100
Evergreen Packaging International B.V.	Dec-31	Netherlands	100	100	100
Pactiv Europe B.V. (c)	Dec-31	Netherlands	100	-	100
Reynolds Consumer Products International B.V.	Dec-31	Netherlands	100	100	100
Reynolds Packaging International B.V.	Dec-31	Netherlands	100	100	100

	Reporting date	Country of incorporation	Ownership interest (%) 2010	Ownership interest (%) 2009	Voting interest (%) 2010
SIG Combibloc B.V.	Dec-31	Netherlands	100	100	100
Whakatane Mill Limited (h)	Dec-31	New Zealand	100	-	100
Envases Panama, S.A.	Dec-31	Panama	100	100	100
Alusud Peru S.A.	Dec-31	Peru	100	100	100
Closure Systems International (Philippines), Inc.	Dec-31	Philippines	100	100	100
Omni Pac Poland SP Z.O.O. (c)	Dec-31	Poland	100	-	100
SIG Combibloc SP. z.o.o.	Dec-31	Poland	100	100	100
SIG Combibloc S.R.L. (q)	Dec-31	Romania	-	100	-
CSI Vostok Limited Liability Company	Dec-31	Russia	100	100	100
OOO SIG Combibloc	Dec-31	Russia	100	100	100
Pactiv Asia Pte Ltd (c)	Dec-31	Singapore	100	-	100
Closure Systems International España, S.L.U.	Dec-31	Spain	100	100	100
Closure Systems International Holdings (Spain), S.A.	Dec-31	Spain	100	100	100
Reynolds Food Packaging Spain, S.L.U.	Dec-31	Spain	100	100	100
SIG Combibloc S.A.	Dec-31	Spain	100	100	100
SIG Combibloc AB	Dec-31	Sweden	100	100	100
SIG allCap AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Procurement AG	Dec-31	Switzerland	100	100	100
SIG Combibloc (Schweiz) AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Group AG (formerly SIG Holding AG)	Dec-31	Switzerland	100	100	100
SIG Finanz AG (i)	Dec-31	Switzerland	-	100	-
SIG Reinag AG	Dec-31	Switzerland	100	100	100
SIG Schweizerische Industrie-Gesellschaft AG	Dec-31	Switzerland	100	100	100
SIG Technology AG	Dec-31	Switzerland	100	100	100
Evergreen Packaging (Taiwan) Co. Limited	Dec-31	Taiwan	100	100	100
SIG Combibloc Taiwan Ltd.	Dec-31	Taiwan	100	100	100
SIG Combibloc Ltd.	Dec-31	Thailand	100	100	100
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi (r)	Dec-31	Turkey	100	-	100
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Baker's Choice Products, Inc.	Dec-31	U.S.A.	100	100	100
Blue Ridge Holding Corp.	Dec-31	U.S.A.	100	100	100
Blue Ridge Paper Products Inc.	Dec-31	U.S.A.	100	100	100
BRPP, LLC	Dec-31	U.S.A.	100	100	100
Closure Systems International Americas, Inc. (j)	Dec-31	U.S.A.	100	-	100
Closure Systems International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems Mexico Holdings LLC	Dec-31	U.S.A.	100	100	100
Coast-Packaging Company (California General Partnership) (b)(c)	Dec-31	U.S.A.	50	-	50
Crystal Thermoplastics, Inc. (s)	Dec-31	U.S.A.	-	100	-
CSI Mexico LLC	Dec-31	U.S.A.	100	100	100
CSI Sales & Technical Services Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging International (US) Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging USA Inc .	Dec-31	U.S.A.	100	100	100
Newspring Industrial Corp. (c)	Dec-31	U.S.A.	100	-	100
Pactiv Germany Holdings Inc. (c)	Dec-31	U.S.A.	100	-	100
Pactiv International Holdings Inc. (c)	Dec-31	U.S.A.	100	-	100
Pactiv Corporation (c)	Dec-31	U.S.A.	100	-	100
Pactiv Factoring LLC (c)	Dec-31	U.S.A.	100	-	100
Pactiv Management Company LLC (c)	Dec-31	U.S.A.	100	-	100
Pactiv North American Holdings LLC (c)	Dec-31	U.S.A.	100	-	100
Pactiv Retirement Administration LLC (c)	Dec-31	U.S.A.	100	-	100
Pactiv RSA LLC (c)	Dec-31	U.S.A.	100	-	100
PCA West Inc. (c)	Dec-31	U.S.A.	100	-	100
Prairie Packaging, Inc. (c)	Dec-31	U.S.A.	100	-	100
PWP Holdings, Inc. (c)	Dec-31	U.S.A.	100	-	100

	Reporting date	Country of incorporation	Ownership interest (%) 2010	Ownership interest (%) 2009	Voting interest (%) 2010
PWP Industries, Inc. (c)	Dec-31	U.S.A.	100	-	100
Reynolds Acquisition Corporation (k)	Dec-31	U.S.A.	-	-	-
Reynolds Consumer Products Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Consumer Products, Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Flexible Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Foil Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Food Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Group Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer LLC	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Kama Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Machinery Inc.(g)	Dec-31	U.S.A.	100	100	100
Reynolds Services Inc.	Dec-31	U.S.A.	100	100	100
RGHL US Escrow Holdings I Inc. (l)	Dec-31	U.S.A.	-	-	-
RGHL US Escrow I Inc. (m)	Dec-31	U.S.A.	-	-	-
RGHL US Escrow I LLC (n)	Dec-31	U.S.A.	-	-	-
SIG Combibloc Inc.	Dec-31	U.S.A.	100	100	100
SIG Holding USA, Inc.	Dec-31	U.S.A.	100	100	100
Southern Plastics, Inc.	Dec-31	U.S.A.	100	100	100
The Corinth and Counce Railroad Company (c)	Dec-31	U.S.A.	100	-	100
Ultra Pac, Inc.	Dec-31	U.S.A.	100	100	100
Alpha Products (Bristol) Limited (c)	Dec-31	United Kingdom	100	-	100
Closure Systems International (UK) Limited	Dec-31	United Kingdom	100	100	100
IVEX Holdings, Ltd.	Dec-31	United Kingdom	100	100	100
J. & W. Baldwin (Holdings) Limited (c)	Dec-31	United Kingdom	100	-	100
Kama Europe Limited	Dec-31	United Kingdom	100	100	100
Omni-Pac UK Limited (c)	Dec-31	United Kingdom	100	-	100
Pactiv (Caerphilly) Limited (c)	Dec-31	United Kingdom	100	-	100
Pactiv (Films) Limited (c)	Dec-31	United Kingdom	100	-	100
Pactiv (Stanley) Limited (In liquidation) (c)	Dec-31	United Kingdom	100	-	100
Pactiv Limited (In liquidation) (c)	Dec-31	United Kingdom	100	-	100
Reynolds Consumer Products (UK) Limited	Dec-31	United Kingdom	100	100	100
Reynolds Subco (UK) Limited	Dec-31	United Kingdom	100	100	100
SIG Combibloc Limited	Dec-31	United Kingdom	100	100	100
SIG Holdings (UK) Ltd.	Dec-31	United Kingdom	100	100	100
The Baldwin Group Ltd. (c)	Dec-31	United Kingdom	100	-	100
Alusud Venezuela S.A.	Dec-31	Venezuela	100	100	100
Envases Internacional, S.A. (o)	Dec-31	Venezuela	-	51	-
SIG Vietnam Ltd.	Dec-31	Vietnam	100	100	100

(a) Incorporated on May 21, 2010.
(b) The Group has control as it has the power to govern the financial and operating policies of the entity.
(c) Acquired as part of the Pactiv Acquisition on November 16, 2010.
(d) The Group acquired the remaining 49% of the issued capital of the entity on August 9, 2010.
(e) Merged into Beverage Packaging Holdings (Luxembourg) III S.a.r.l. on December 21, 2010.
(f) Incorporated on April 15, 2010.
(g) Changed name to Closure Systems International Packaging Machinery, Inc on March 17, 2011.
(h) Acquired on April 23, 2010 from a related entity, Carter Holt Harvey Limited.
(i) Merged into SIG Combibloc Group AG on June 15, 2010.
(j) Acquired on February 1, 2010.
(k) Incorporated on August 11, 2010 and subsequently merged into Pactiv Corporation on November 16, 2010.
(l) Incorporated on September 24, 2010 and subsequently merged into Reynolds Group Holdings Inc. on November 16, 2010.
(m) Incorporated on September 24, 2010 and subsequently merged into Reynolds Group Issuer Inc. on November 16, 2010.
(n) Incorporated on September 27, 2010 and subsequently merged into Reynolds Group Issuer LLC on November 16, 2010.
(o) Disposed of on April 16, 2010.
(p) Incorporated on October 1, 2010 and subsequently merged into Reynolds Group Issuer (Luxembourg) S.A. on November 16, 2010.
(q) Liquidated and dissolved effective December 31, 2010.
(r) Incorporated on May 3, 2010.
(s) Merged into Reynolds Packaging Inc. effective January 21, 2010.

33. Business combinations under common control

2010

On May 4, 2010, the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited. At the time of this transaction, both the Group and Evergreen were ultimately 100% owned by Mr. Graeme Hart. The original acquisitions of the Evergreen businesses were completed between January 31, 2007 and August 1, 2007.

On September 1, 2010, the Group acquired the operations of the Reynolds foodservice packaging business from subsidiaries of Reynolds (NZ) Limited ("Reynolds (NZ)"). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Reynolds foodservice packaging businesses was completed on February 29, 2008.

The following table shows the effect of the legal consummation of the acquisitions of Evergreen and the Reynolds foodservice packaging business as of their respective dates of acquisition by the Group:

(In $ million)	Evergreen	Reynolds Foodservice	Total
Consideration paid in cash*	1,582.0	297.0	1,879.0
Plus working capital adjustments	30.1	44.0	74.1
Total consideration	1,612.1	341.0	1,953.1
Book value of share capital of the acquired businesses	(712.8)	(192.7)	(905.5)
Difference between total consideration and net book value of share capital of acquired businesses**	**899.3**	**148.3**	**1,047.6**

2009

On November 5, 2009, the Group acquired the business operations of the Closures segment and the Reynolds consumer products business from subsidiaries of Reynolds (NZ). At the time of this transaction, both the Group and Reynolds (NZ) were ultimately 100% owned by Mr. Graeme Hart. The original acquisition of the Closures and Reynolds consumer products business was substantially completed on February 29, 2008. As at November 5, 2009, the effect of the legal consummation of the acquisition was as follows:

(In $ million)	Book value on acquisition
Consideration paid in cash*	1,687.3
Plus working capital adjustments	5.0
Total consideration	1,692.3
Net book value of share capital of the acquired businesses	(1,107.9)
Difference between total consideration and net book value of share capital of the acquired businesses**	**584.4**

* The Group has accounted for the acquisitions under the principles of common control. As a result, the cash acquired as part of the acquisitions is already included in the Group's cash balance and does not form part of the net cash outflow. Further, the results of operations of the businesses acquired are included in the statements of comprehensive income from January 31, 2007 for Evergreen, and from February 29, 2008 for the Closures, Reynolds consumer products and Reynolds foodservice packaging businesses.

** In accordance with the Group's accounting policy for acquisitions under common control, the difference between the share capital of the acquired businesses and the consideration paid has been recognized directly in equity as part of other reserves.

34. Business combinations

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv Corporation ("Pactiv") for a purchase price of $4,452.0 million (the "Pactiv Acquisition"). The consideration was paid in cash. There is no contingent consideration payable.

Pactiv is a leading manufacturer of consumer and foodservice packaging products in the United States. The acquisition of Pactiv brings together two consumer and foodservice packaging platforms. The combination increases the Group's product, geographic and customer diversification and creates an extensive and diverse distribution network. The Group's and Pactiv's products are complementary, providing the combined Group with opportunities to generate incremental revenue through cross-selling and category expansion. The Group also expects to realize significant cost savings by consolidating facilities, eliminating duplicate operations, improving supply chain management and achieving other efficiencies.

Funding for the purchase consideration and the refinancing of certain Pactiv borrowings that were acquired was provided through a combination of additional borrowings, additional equity and existing cash.

The preliminary values of assets, liabilities and contingent liabilities recognized on acquisition are their estimated fair values. The fair values of all of the items listed below have been determined on a provisional basis, reflecting the proximity of the acquisition to the year end and the date of issuance of these financial statements. For details on how fair values were determined see note 5.

(In $ million)	Preliminary values on acquisition
Cash and cash equivalents, net of bank overdrafts	91.3
Trade and other receivables	472.3
Current tax assets	54.7
Deferred tax assets	26.7
Inventories	547.4
Property, plant and equipment	1,434.0
Intangible assets (excluding goodwill)	3,199.9
Other current and non-current assets	59.5
Trade and other payables	(419.0)
Borrowings	(1,482.3)
Deferred tax liabilities	(1,068.6)
Employee benefits	(998.8)
Provisions	(77.1)
Net assets acquired	**1,840.0**
Non-controlling interests	(18.1)
Goodwill on acquisition	2,630.1
Net assets acquired	**4,452.0**
Consideration paid in cash	4,452.0
Net cash acquired	(91.3)
Net cash outflow	**4,360.7**

Acquisition-related costs of $9.5 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2010.

The provisional fair value of trade receivables is $472.3 million. The gross contractual amount for trade receivables due at acquisition was $517.2 million, of which $44.9 million is expected to be uncollectible.

The provisional goodwill recognized on the acquisition is attributable mainly to the skill of the acquired work force and the synergies expected to be achieved from combining Pactiv into the Group. Except for $513.6 million, the remaining goodwill recognized is not expected to be deductible for income tax purposes.

Prior to the acquisition, Pactiv reported under US GAAP. Accordingly it is not practical to illustrate the provisional impact that the preliminary fair value adjustments had on the historical acquisition date values of assets and liabilities.

Pactiv contributed revenues of $480.8 million, loss from operating activities of $24.9 million, EBITDA of $10.1 million and adjusted EBITDA of $88.5 million to the Group for the period from November 16, 2010 to December 31, 2010. If the acquisition had occurred on January 1, 2010, management estimates that Pactiv would have contributed additional revenue of $3,198.2 million, additional profit from operating activities of $284.9 million, additional EBITDA of $454.1 million and additional adjusted EBITDA of $566.3 million.

Following the Pactiv Acquisition the Group has repaid $397.4 million of borrowings assumed on acquisition. As set out in note 26(s) $235.0 million in principal of Pactiv Notes were redeemed with redemption premiums of $2.4 million. In addition, a securitization arrangement with an outstanding facility of $130.0 million and a short term revolving credit loan of $30.0 million were repaid.

Closure Systems International Americas, Inc.

On February 1, 2010, the Group purchased 100% of the issued capital of Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. Total consideration for the acquisition was $36.2 million and was paid in cash. The acquired company was subsequently renamed Closure Systems International Americas, Inc. (“CSI Americas”).

This acquisition had the following effect on the Group's assets and liabilities at the acquisition date:

(In $ million)	Recognized values on acquisition
Cash and cash equivalents	10.8
Trade and other receivables	3.0
Inventories	10.7
Other current assets	0.1
Deferred tax assets	10.8
Property, plant and equipment	14.6
Intangible assets (excluding goodwill)	3.6
Trade and other payables	(7.0)
Provisions	(0.3)
Employee benefits	(0.3)
Net assets acquired	46.0
Difference between net assets acquired and consideration paid	(9.8)
Consideration paid, settled in cash	36.2
Cash acquired	(10.8)
Net cash outflow	**25.4**

The acquisition of CSI Americas contributed revenue of $51.6 million and a net profit of $3.4 million to the Group for the period ended December 31, 2010. If the purchase had occurred on January 1, 2010, management estimates that CSI Americas would have contributed additional revenue of $3.8 million, additional EBITDA of $2.6 million and additional profit after tax of $1.1 million.

Alcoa Inc's packaging and consumer divisions

On February 29, 2008 subsidiaries of Reynolds (NZ) Limited, a company related by common ultimate control, commenced the acquisition of the global operations and assets of Alcoa's P & C divisions. As disclosed in note 33, the Group acquired the Closures and Reynolds consumer products businesses on November 5, 2009 and the Reynolds foodservice packaging business on September 1, 2010. In accordance with the Group's accounting policy for acquisition of businesses under common control, the acquisition has been accounted for by the Group from February 29, 2008.

The purchase price for the P & C divisions' operations and assets was $2,700.0 million (before capitalized acquisition costs) and was funded via the drawdown of $1,530.0 million under a senior credit facility and the issuance of share capital of NZ$1,545.1 million ($1,250.1 million). At the date of the transaction, certain closing price adjustments relating to working capital were unable to be quantified. These adjustments were subsequently settled between the parties. As a result of this settlement, the total purchase consideration decreased by $47.2 million to $2,652.8 million. Included within the total purchase consideration paid of $2,737.3 million was $73.0 million paid by a related entity, which is not part of the Group, for businesses acquired from Alcoa.

This acquisition included 100% of the shares of those entities comprising the P & C divisions except in the following instances:

- Closure Systems International Nepal Private Limited – 76.0% of the shares.
- Closure Systems International (Korea) Ltd – 51.0% of the shares.
- Gulf Closures W.L.L. – 49.0% of the shares. While the minority interest holder legally holds 51.0% of the shares, it has a 25% economic interest in Gulf Closures W.L.L.

The acquisition included the following asset purchases:

- The assets of three foil manufacturing facilities in the United States were purchased by Reynolds Foil Inc.
- Closure manufacturing facilities in Canada were purchased by Closure Systems International (Canada) Limited.
- The assets of a Closure Systems facility in the United Kingdom were purchased by Closure Systems International (UK) Limited.

Approximately 90% of the acquisition was completed on February 29, 2008. Due to the size of the transaction and certain regional approval requirements, the residual elements of the transaction were completed progressively after this date.

This acquisition had the following effect on the Group's assets and liabilities at their acquisition date:

(In $ million)	Recognized values on acquisition
Cash and cash equivalents	20.7
Trade and other receivables	450.8
Inventories	502.8
Property, plant and equipment	803.9
Intangible assets	920.9
Investment in associates	3.8
Trade and other payables	(579.9)
Deferred tax liabilities	(207.9)
Non-controlling interests	(10.5)
Net identifiable assets and liabilities	1,904.6
Goodwill	785.5
	2,690.1
Consideration paid in cash*	2,737.3
Working capital adjustments	(47.2)
	2,690.1
Less cash acquired	(20.7)
Plus adjustment for non-cash reallocation of purchase consideration	3.5
Less consideration paid by related entity	(73.0)
Net cash outflow	**2,599.9**

If the acquisition had occurred on January 1, 2008, the businesses acquired would have contributed an additional $521.9 million of revenue and an additional $30.6 million in EBITDA** (being the results of operations from the period January 1, 2008 to February 29, 2008). In addition, for those businesses where control was obtained after the initial closing date, an additional $4.8 million of EBITDA would have been contributed to the results for the period ended December 31, 2008.

* Consideration includes $37.3 million of capitalized acquisition costs paid and $73.0 million paid by a related entity.

** Due to the post acquisition restructuring of the Group, disclosure of the profit and loss (pre and post tax) is impractical.

CSI Guadalajara

On September 23, 2008 a subsidiary of Closures acquired all of the shares of Tecnicos de Tapas Innovativas, S.A. de C.V. and Bienes Industriales del Norte, S.A. de C.V. from Ixe Banco, S.A. and Metalpack S.A. de C.V. In accordance with the Group's accounting policy for common control transactions, the acquisition has been accounted for by the Group from September 23, 2008.

The purchase price for these operations was $14.5 million, net of working capital adjustments, which was funded by cash from within the Group.

This acquisition had the following effect on the Group's assets and liabilities at their acquisition date:

(In $ million)	Recognized values on acquisition
Cash and cash equivalents	1.0
Trade and other receivables	5.0
Inventories	2.8
Property, plant and equipment	8.5
Deferred tax assets	2.9
Other current and non-current assets	2.9
Trade and other payables	(5.9)
Net identifiable assets and liabilities	17.2
Goodwill	-
	17.2
Consideration paid in cash	17.2
Working capital adjustments, received in 2009	(2.7)
	14.5
Less cash acquired	(1.0)
Net cash outflow	**13.5**

If the acquisition had occurred on January 1, 2008, the business would have contributed an additional $25.2 million of revenue and an additional $1.9 million in EBITDA for the period ended December 31, 2008. Due to the post acquisition restructuring of the Group, disclosure of the profit and loss (pre and post tax) is impractical.

35. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	As at December 31	
(In $ million)	**2010**	**2009**
Less than one year	69.4	30.2
Between one and five years	145.6	66.3
More than five years	78.9	19.4
Total	**293.9**	**115.9**

During the period ended December 31, 2010 $51.2 million was recognized as an expense in the statement of comprehensive income as a component of the profit or loss in respect of operating leases (2009: $49.8 million; 2008: $47.5 million).

Leases as lessor

The SIG Combibloc segment leases out its filling machines held under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	As at December 31	
(In $ million)	**2010**	**2009**
Less than one year	13.1	11.6
Between one and five years	30.9	23.4
More than five years	2.7	0.7
Total	**46.7**	**35.7**

During the period ended December 31, 2010 $21.4 million was recognized as revenue in the statement of comprehensive income (2009: $17.4 million; 2008: $17.2 million).

36. Capital commitments

As at December 31, 2010, the Group had entered into contracts to incur capital expenditure of $94.8 million (2009: $32.5 million) for the acquisition of property, plant and equipment. These commitments are expected to be settled in the following financial year.

37. Contingencies

	As at December 31	
(In $ million)	**2010**	**2009**
Contingent liabilities	30.5	32.0

The contingent liabilities primarily arise from the guarantees given to banks granting credit facilities to the Group's joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Litigation and legal proceedings

The Group is subject to litigation in the ordinary course of operations, for which a provision has been recognized in the statement of financial position as at December 31, 2010. The Group does not believe that it is engaged in any other legal proceedings for which provision has not been made which would be likely to have a material effect on its business, financial position or results of operations.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group's indebtedness as described in note 26.

38. Condensed consolidating guarantor financial information

Certain of the Group’s subsidiaries have guaranteed the Group’s obligations under the October 2010 Notes, the May 2010 Notes, and the 2009 Notes.

The following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as at December 31, 2010 and 2009 and the related statements of financial performance and cash flows for the each of the periods ended December 31, 2010, 2009, and 2008 of:

   a. Reynolds Group Holdings Limited, the Parent;
   b. Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer Inc. and Reynolds Group Issuer LLC, the issuers of the October 2010 Notes, the May 2010 Notes and the 2009 Notes (together the “Issuers”);
   c. the other guarantor subsidiaries;
   d. SIG Combibloc Ltd. (Thailand);
   e. the non-guarantor subsidiaries; and
   f. the Group on a consolidated basis.

(2) Adjustments and elimination entries necessary to consolidate Reynolds Group Holdings Limited, the Parent, with the Issuers, the other guarantor subsidiaries, SIG Combibloc Ltd. (Thailand) and the non-guarantor subsidiaries.

As at December 31, 2010 certain regulatory approvals are still pending in respect of the guarantees of SIG Combibloc Ltd. (Thailand) for the May 2010 Notes and the October 2010 Notes. SIG Combibloc Ltd. is a guarantor of the 2009 Notes. As a result, SIG Combibloc Ltd. (Thailand) has been presented in a separate column between the columns for the guarantor subsidiaries and the non-guarantor subsidiaries.

The condensed consolidating statement of financial performance and consolidating statement of cash flows for year ended December 31, 2010 and the condensed consolidating statement of financial position at December 31, 2010 reflect the current guarantor structure of the Group.

Each guarantor subsidiary is 100% owned by the Parent. The notes are fully and unconditionally guaranteed to the extent permitted by law on a joint and several basis by each guarantor subsidiary. Provided below are condensed statements of financial performance, financial position and cash flows of each of the companies listed above, together with the condensed statements of financial performance, financial position and cash flows of guarantor and non-guarantor subsidiaries. These have been prepared under the Group’s accounting policies disclosed in note 3 which comply with IFRS with the exception of investments in subsidiaries. Investments in subsidiaries are accounted for using the equity method. The guarantor subsidiaries and non-guarantor subsidiaries are each presented on a combined basis. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

Condensed consolidating statement of financial performance

	For the period ended December 31, 2010						
(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
Revenue	-	-	6,087.3	223.1	824.2	(360.6)	6,774.0
Cost of sales	-	-	(5,053.5)	(181.1)	(646.4)	360.6	(5,520.4)
Gross profit	**-**	**-**	**1,033.8**	**42.0**	**177.8**	**-**	**1,253.6**
Other income, other expenses and share of equity method earnings, net of income tax	(98.6)	(0.7)	167.2	(9.6)	7.8	(25.9)	40.2
Selling, marketing and distribution expenses	-	-	(195.3)	(2.6)	(32.8)	-	(230.7)
General and administration expenses	(3.2)	-	(352.1)	(7.8)	(26.8)	-	(389.9)
Profit (loss) from operating activities (“EBIT”)	**(101.8)**	**(0.7)**	**653.6**	**22.0**	**126.0**	**(25.9)**	**673.2**
Financial income	14.4	265.5	11.2	3.7	120.4	(349.6)	65.6
Financial expenses	(2.2)	(250.9)	(727.1)	(0.8)	(120.3)	349.6	(751.7)
Net financial income (expenses)	**12.2**	**14.6**	**(715.9)**	**2.9**	**0.1**	**-**	**(686.1)**
Profit (loss) before income tax	**(89.6)**	**13.9**	**(62.3)**	**24.9**	**126.1**	**(25.9)**	**(12.9)**
Income tax benefit (expense)	(3.3)	(4.9)	(44.3)	(5.6)	(21.9)	-	(80.0)
Profit (loss) for the period	**(92.9)**	**9.0**	**(106.6)**	**19.3**	**104.2**	**(25.9)**	**(92.9)**

As detailed in note 34, the amounts determined as a part of the Pactiv Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Reynolds Group Holdings Limited
Notes to the financial statements
For the period ended December 31, 2010

Condensed consolidating statement of financial position

(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
	As at December 31, 2010						
Assets							
Cash and cash equivalents	0.7	24.8	520.6	8.2	109.5	-	663.8
Trade and other receivables	4.9	-	941.7	43.1	160.5	-	1,150.2
Inventories	-	-	1,106.3	52.5	121.8	-	1,280.6
Inter-group receivables	-	90.4	-	-	4.4	(94.8)	-
Other assets	-	-	185.1	0.8	15.4	-	201.3
Total current assets	**5.6**	**115.2**	**2,753.7**	**104.6**	**411.6**	**(94.8)**	**3,295.9**
Investments in subsidiaries, associates and joint ventures (equity method)	-	-	1,274.4	2.7	106.7	(1,274.2)	109.6
Property, plant and equipment	-	-	2,823.0	115.5	336.1	-	3,274.6
Investment properties	-	-	67.6	-	-	-	67.6
Intangible assets	-	-	8,597.5	187.6	149.8	-	8,934.9
Inter-group receivables	15.5	5,595.1	139.1	-	1,321.6	(7,071.3)	-
Other assets	255.5	76.9	127.6	0.5	27.9	-	488.4
Total non-current assets	**271.0**	**5,672.0**	**13,029.2**	**306.3**	**1,942.1**	**(8,345.5)**	**12,875.1**
Total assets	**276.6**	**5,787.2**	**15,782.9**	**410.9**	**2,353.7**	**(8,440.3)**	**16,171.0**
Liabilities							
Trade and other payables	9.7	90.4	968.9	49.6	128.9	-	1,247.5
Borrowings	-	-	138.8	-	2.5	-	141.3
Inter-group payables	-	-	94.8	-	-	(94.8)	-
Other liabilities	0.6	-	379.2	9.0	31.4	-	420.2
Total current liabilities	**10.3**	**90.4**	**1,581.7**	**58.6**	**162.8**	**(94.8)**	**1,809.0**
Borrowings	-	5,559.2	4,976.2	-	1,163.6	-	11,699.0
Inter-group liabilities	21.7	2.4	6,939.9	-	129.0	(7,093.0)	-
Other liabilities	-	4.6	2,313.7	10.7	66.5	-	2,395.5
Total non-current liabilities	**21.7**	**5,566.2**	**14,229.8**	**10.7**	**1,359.1**	**(7,093.0)**	**14,094.5**
Total liabilities	**32.0**	**5,656.6**	**15,811.5**	**69.3**	**1,521.9**	**(7,187.8)**	**15,903.5**
Net assets	**244.6**	**130.6**	**(28.6)**	**341.6**	**831.8**	**(1,252.5)**	**267.5**
Equity							
Equity attributable to equity holder of the Group	244.6	130.6	(28.6)	341.6	831.8	(1,275.4)	244.6
Non-controlling interests	-	-	-	-	-	22.9	22.9
Total equity	**244.6**	**130.6**	**(28.6)**	**341.6**	**831.8**	**(1,252.5)**	**267.5**

As detailed in note 34, the amounts determined as a part of the Pactiv Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Reynolds Group Holdings Limited
Notes to the financial statements
For the period ended December 31, 2010

Condensed consolidating statement of cash flows

(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
	For the period ended December 31, 2010						
Net cash from operating activities	**-**	**(170.5)**	**302.7**	**13.8**	**(33.7)**	**270.9**	**383.2**
Net cash from investing activities	**(322.0)**	**(3,809.5)**	**(4,568.5)**	**(26.7)**	**62.4**	**4,076.1**	**(4,588.2)**
Included in investing activities:							
Acquisition of property, plant and equipment and investment properties	-	-	(227.5)	(22.0)	(69.1)	-	(318.6)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets	-	-	30.4	0.3	0.8	-	31.5
Acquisition of businesses, net of cash acquired	-	-	(4,386.1)	-	-	-	(4,386.1)
Disposal of businesses, net of cash disposed	-	-	32.4	-	-	-	32.4
Net related party advances (repayments)	-	(3,980.0)	138.4	-	15.3	3,923.5	97.2
Net cash from financing activities	**322.0**	**3,993.3**	**4,412.0**	**-**	**(35.3)**	**(4,347.0)**	**4,345.0**
Included in financing activities:							
Acquisition of businesses under common control	-	-	(1,957.8)	-	-	-	(1,957.8)
Draw down of loans and borrowings	-	4,000.0	2,820.0	-	1.8	-	6,821.8
Repayment of loans and borrowings	-	-	(478.3)	-	(3.0)	-	(481.3)
Proceeds from issues of share capital	322.0	101.5	322.0	-	-	(423.5)	322.0
Proceeds from related party borrowings	-	-	3,964.7	-	-	(3,964.7)	-
Repayment of related party borrowings	-	-	-	-	(32.1)	32.1	-
Payment of transaction costs	-	(99.1)	(194.0)	-	-	-	(293.1)

As detailed in note 34, the amounts determined as a part of the Pactiv Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Reynolds Group Holdings Limited
Notes to the financial statements
For the period ended December 31, 2010

Condensed consolidating statement of financial performance

(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
	For the period ended December 31, 2009						
Revenue	-	-	5,292.7	206.9	704.2	(293.8)	5,910.0
Cost of sales	-	-	(4,252.2)	(170.9)	(562.0)	293.8	(4,691.3)
Gross profit	**-**	**-**	**1,040.5**	**36.0**	**142.2**	**-**	**1,218.7**
Other income, other expenses and share of equity method earnings, net of income tax	120.9	-	224.8	(14.7)	17.3	(231.8)	116.5
Selling, marketing and distribution expenses	-	-	(176.1)	(6.1)	(28.5)	-	(210.7)
General and administration expenses	(0.5)	(1.3)	(368.5)	(9.0)	(31.0)	43.5	(366.8)
Profit (loss) from operating activities	**120.4**	**(1.3)**	**720.7**	**6.2**	**100.0**	**(188.3)**	**757.7**
Financial income	12.1	20.6	13.5	2.8	118.2	(146.3)	20.9
Financial expenses	(17.5)	(20.3)	(474.3)	(1.5)	(145.9)	146.3	(513.2)
Net financial income (expenses)	**(5.4)**	**0.3**	**(460.8)**	**1.3**	**(27.7)**	**-**	**(492.3)**
Profit (loss) before income tax	**115.0**	**(1.0)**	**259.9**	**7.5**	**72.3**	**(188.3)**	**265.4**
Income tax benefit (expense)	1.7	0.1	(139.1)	(1.3)	(10.1)	-	(148.7)
Profit (loss) for the period	**116.7**	**(0.9)**	**120.8**	**6.2**	**62.2**	**(188.3)**	**116.7**

Reynolds Group Holdings Limited

Notes to the financial statements
For the period ended December 31, 2010

Condensed consolidating statement of financial position

(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
	As at December 31, 2009						
Assets							
Cash and cash equivalents	0.7	11.5	369.7	21.2	112.4	-	515.5
Trade and other receivables	-	-	543.2	17.9	122.0	-	683.1
Inventories	-	-	647.8	25.8	82.0	-	755.6
Other assets	-	-	106.7	0.2	24.2	-	131.1
Total current assets	**0.7**	**11.5**	**1,667.4**	**65.1**	**340.6**	**-**	**2,085.3**
Investments in subsidiaries, associates and joint ventures (equity method)	849.2	-	830.8	2.2	97.6	(1,676.0)	103.8
Property, plant and equipment	-	-	1,450.8	91.2	283.0	-	1,825.0
Investment properties	-	-	76.3	-	-	-	76.3
Intangible assets	-	-	3,126.0	2.8	150.3	-	3,279.1
Inter-group receivables	16.4	1,691.0	156.6	9.6	1,409.9	(3,283.5)	-
Other assets	226.3	17.3	118.8	3.2	26.4	-	392.0
Total non-current assets	**1,091.9**	**1,708.3**	**5,759.3**	**109.0**	**1,967.2**	**(4,959.5)**	**5,676.2**
Total assets	**1,092.6**	**1,719.8**	**7,426.7**	**174.1**	**2,307.8**	**(4,959.5)**	**7,761.5**
Liabilities							
Trade and other payables	4.3	32.5	562.2	23.8	137.9	-	760.7
Borrowings	0.7	-	108.9	-	2.7	-	112.3
Other liabilities	0.5	-	280.8	3.3	17.9	-	302.5
Total current liabilities	**5.5**	**32.5**	**951.9**	**27.1**	**158.5**	**-**	**1,175.5**
Borrowings	-	1,687.8	1,899.4		1,254.6	-	4,841.8
Inter-group liabilities	-	-	3,126.9	33.6	123.0	(3,283.5)	-
Other liabilities	-	0.8	599.3	1.8	38.9	-	640.8
Total non-current liabilities	**-**	**1,688.6**	**5,625.6**	**35.4**	**1,416.5**	**(3,283.5)**	**5,482.6**
Total liabilities	**5.5**	**1,721.1**	**6,577.5**	**62.5**	**1,575.0**	**(3,283.5)**	**6,658.1**
Net assets	**1,087.1**	**(1.3)**	**849.2**	**111.6**	**732.8**	**(1,676.0)**	**1,103.4**
Equity							
Equity attributable to equity holder of the Group	1,087.1	(1.3)	849.2	111.6	732.8	(1,692.3)	1,087.1
Non-controlling interests	-	-	-	-		16.3	16.3
Total equity	**1,087.1**	**(1.3)**	**849.2**	**111.6**	**732.8**	**(1,676.0)**	**1,103.4**

Condensed consolidating statement of cash flows

	For the period ended December 31, 2009						
(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
Net cash from (used in) operating activities	**(0.2)**	**-**	**619.4**	**29.7**	**10.0**	**110.9**	**769.8**
Net cash from (used in) investing activities	**(544.0)**	**(1,687.6)**	**(94.3)**	**(10.1)**	**70.1**	**2,130.6**	**(135.3)**
Included in investing activities:							
Acquisition of property, plant and equipment and investment properties	-	-	(194.3)	(9.6)	(40.4)	-	(244.3)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets	-	-	32.6	1.6	6.7	-	40.9
Acquisition of businesses, net of cash acquired	-	-	3.9	-	-	-	3.9
Disposal of businesses, net of cash disposed	-	-	-	-	-	-	-
Net related party advances (repayments)	-	(1,687.7)	110.0	-	(8.8)	1,689.4	102.9
Net cash from (used in) financing activities	**544.8**	**1,699.0**	**(465.4)**	**-**	**(37.6)**	**(2,241.4)**	**(500.6)**
Included in financing activities:							
Acquisition of businesses under common control	-	-	(1,687.3)	-	-	-	(1,687.3)
Draw down of loans and borrowings	-	1,789.1	1,504.1	-	-	-	3,293.2
Repayment of loans and borrowings	-	-	(2,349.8)	-	(32.4)	-	(2,382.2)
Proceeds from issues of share capital	544.0	-	578.2	-	17.3	(561.3)	578.2
Proceeds from related party borrowings	0.8	1.2	1,754.4	-	-	(1,688.9)	67.5
Repayment of related party borrowings	-	(1.2)	(174.0)	-	(5.7)	1.2	(179.7)
Payment of transaction costs	-	(66.8)	(83.3)	-	-	-	(150.1)

Reynolds Group Holdings Limited
Notes to the financial statements
For the period ended December 31, 2010

Condensed consolidating statement of financial performance

	For the period ended December 31, 2008						
(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
Revenue	-	-	5,469.6	229.2	661.1	(347.1)	6,012.8
Cost of sales	-	-	(4,901.5)	(194.0)	(560.8)	347.1	(5,309.2)
Gross profit	**-**	**-**	**568.1**	**35.2**	**100.3**	**-**	**703.6**
Other income, other expenses and share of equity method earnings, net of income tax	(126.6)	-	65.7	(8.3)	170.3	(247.6)	(146.5)
Selling, marketing and distribution expenses	-	-	(195.0)	(6.1)	(27.4)	-	(228.5)
General and administration expenses	-	-	(384.9)	(8.0)	(35.5)	94.1	(334.3)
Profit (loss) from operating activities	**(126.6)**	**-**	**53.9**	**12.8**	**207.7**	**(153.5)**	**(5.7)**
Financial income	15.6	-	161.0	2.2	139.2	(153.5)	164.5
Financial expenses	(34.2)	-	(386.3)	(4.0)	(137.8)	153.5	(408.8)
Net financial income (expenses)	**(18.6)**	**-**	**(225.3)**	**(1.8)**	**1.4**	**-**	**(244.3)**
Profit (loss) before income tax	**(145.2)**	**-**	**(171.4)**	**11.0**	**209.1**	**(153.5)**	**(250.0)**
Income tax benefit (expense)	2.3	-	42.6	(0.3)	18.5	-	63.1
Profit (loss) from continuing operations	**(142.9)**	**-**	**(128.8)**	**10.7**	**227.6**	**(153.5)**	**(186.9)**
Profit (loss) from discontinued operations, net of income tax	-	-	-	-	44.0	-	44.0
Profit (loss) for the period	**(142.9)**	**-**	**(128.8)**	**10.7**	**271.6**	**(153.5)**	**(142.9)**

Condensed consolidating statement of cash flows

	For the period ended December 31, 2008						
(In $ million)	Parent	Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
Net cash from operating activities	**(3.8)**	**-**	**390.2**	**24.3**	**(58.8)**	**98.7**	**450.6**
Net cash from investing activities	**(213.3)**	**-**	**(2,469.8)**	**(8.8)**	**88.6**	**(118.4)**	**(2,721.7)**
Included in investing activities:							
Acquisition of property, plant and equipment and investment properties	-	-	(204.5)	(10.1)	(42.5)	-	(257.1)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets	-	-	54.2	2.6	10.9	-	67.7
Acquisition of businesses, net of cash acquired	-	-	(2,593.0)	-	-	-	(2,593.0)
Disposal of businesses, net of cash disposed	-	-	177.1	-	-	-	177.1
Net related party advances (repayments)	(215.0)	-	105.9	-	0.6	2.4	(106.1)
Net cash from financing activities	**-**	**-**	**2,346.7**	**(14.9)**	**(4.2)**	**19.7**	**2,347.3**
Included in financing activities:							
Acquisition of businesses under common control	-	-	-	-	-	-	-
Draw down of loans and borrowings	-	-	1,505.9	-	-	-	1,505.9
Repayment of loans and borrowings	-	-	(191.7)	-	-	-	(191.7)
Proceeds from issues of share capital	-	-	1,051.4	-	7.0	(7.0)	1,051.4
Proceeds from related party borrowings	-	-	17.6	-	3.0	(3.0)	17.6
Repayment of related party borrowings	-	-	(14.4)	(14.9)	-	15.5	(13.8)
Payment of transaction costs	-	-	(22.1)	-	-	-	(22.1)

39. Subsequent events

2011 Notes and 2009 Credit Agreement

On February 1, 2011, the Reynolds Issuers issued $1.0 billion principal amount of 6.875% senior secured notes due 2021 and $1.0 billion principal amount of 8.250% senior notes due 2021 (collectively the "2011 Notes"). Interest on the 2011 Notes is paid semi-annually on February 15 and August 15 each year, commencing August 15, 2011. All of the guarantors of the 2009 Credit Agreement have guaranteed or will guarantee the obligations under the 2011 Notes, to the extent permitted by law.

The proceeds from the 2011 Notes were used to repay the Tranche D Term Loan under the 2009 Credit Agreement. As a result of such repayment, unamortized debt issuance costs of $29.0 million and unamortized original issue discount of $14.8 million were expensed in 2011. The remaining proceeds have been or will be used for general corporate purposes, which may include financing future acquisitions and repaying additional indebtedness.

On February 9, 2011 the 2009 Credit Agreement was amended and restated. Pursuant to the amendments term tranches of $2,325.0 million ("US Tranche") and €250.0 million ("EUR Tranche") were borrowed. The proceeds were used to fully repay the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan, the European Term Loan, and the partial payment of accrued interest and related fees and expenses. As a result of such repayment, unamortized debt issuance costs of $57.0 million and original issue discount of $22.8 million were expensed in 2011. Both the US Tranche and EUR Tranche mature on February 9, 2018 with quarterly principal amortization payments of 0.25% per quarter. The US Tranche incurs interest at LIBOR plus a margin of 3.25%, with a floor of 1.00%. The EUR Tranche incurs interest at LIBOR plus a margin of 3.50%, with a floor of 1.5%. All of the entities that guaranteed the 2009 Credit Agreement have guaranteed or will guarantee the US Tranche and the EUR Tranche.

Dopaco Acquisition

On May 2, 2011 the Group acquired Dopaco Inc. and Dopaco Canada Inc. (collectively "Dopaco") from Cascades Inc. Dopaco is a leading manufacturer of paper cups and folding cartons for the quick-service restaurant and food service industries. The consideration for the acquisition paid at closing was $398.1 million in cash, subject to customary adjustments for net debt and working capital, which are not yet finalized. The consideration was financed from the existing cash of the Group. The combination of the Group's existing distribution network with Dopaco's business will improve its product range to a wider customer base. The acquired business will be combined into the Pactiv Foodservice segment.

Dopaco is currently finalizing the opening balance sheet. The Group is also undertaking fair value appraisals and the conversion of Dopaco's accounts from U.S. GAAP to IFRS.

Graham Packaging Acquisition

On June 17, 2011, the Group entered into an Agreement and Plan of Merger to acquire Graham Packaging Company Inc. ("Graham Packaging"). Under the terms of the Agreement and Plan of Merger (as amended), the Group will pay $25.50 per Graham Packaging share (in cash). The price to be paid pursuant to the Agreement and Plan of Merger (as amended) represents a total enterprise value, including net debt, of approximately $4.5 billion. Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets. The transaction is subject to certain regulatory approvals and customary closing conditions and is currently expected to close in the second half of 2011. The Group has incurred $20.0 million of costs related to the acquisition of Graham Packaging, and expects to incur additional costs in the future. All acquisition costs will be expensed in the Group's statement of comprehensive income.

The Group expects to finance the purchase of the shares, the repayment of certain of Graham Packaging's existing indebtedness and associated transaction costs with up to $5.0 billion of new indebtedness and existing cash.

On June 17, 2011, the Group entered into committed financing arrangements of up to $5.0 billion. As a result of entering into these arrangements, the Group has incurred finance commitment fees of $67.5 million, of which $25.0 million has been expensed in the Group's statement of comprehensive income and $42.5 million has been deferred as a non-current asset in the Group's statement of financial position. Additional financing fees may be incurred once permanent financing for the acquisition has been finalized.

Restructuring initiatives

In the period since December 31, 2010, the Group has continued to integrate the operations of Pactiv with the Reynolds Consumer Products and Pactiv Foodservice segments. Certain restructuring initiatives have been announced. These initiatives have triggered the recognition of $49.8 million of restructuring expenses subsequent to December 31, 2010. Further restructuring expenses may be incurred.

Other

In June 2011, the Group decided to sell certain investment properties within the SIG segment. This resulted in a reclassification of $52.6 million of assets from investment properties to assets held for sale in the Group's statement of financial position as of June 30, 2011.

Other than the items disclosed above, there have been no events subsequent to December 31, 2010 which would require accrual or disclosure in these financial statements.