

Reynolds Group Holdings Limited

**Interim unaudited condensed financial statements
for the three month periods ended March 31, 2011 and March 31, 2010**

Reynolds Group Holdings Limited

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Reynolds Group Holdings Limited

Interim unaudited condensed statements of comprehensive income

(In \$ million)	Note	For the three months ended March 31,	
		2011	2010
Revenue		2,367.5	1,407.6
Cost of sales		(1,917.5)	(1,160.8)
Gross profit		450.0	246.8
Other income	7	22.6	34.5
Selling, marketing and distribution expenses		(82.0)	(48.4)
General and administration expenses		(146.6)	(95.4)
Other expenses	8	(57.3)	(12.2)
Share of profit of associates and joint ventures, net of income tax (equity method)		6.3	4.5
Profit from operating activities		193.0	129.8
Financial income	9	101.0	21.9
Financial expenses	9	(380.9)	(152.9)
Net financial expenses		(279.9)	(131.0)
Loss before income tax		(86.9)	(1.2)
Income tax benefit (expense)	10	40.2	(36.1)
Loss after income tax		(46.7)	(37.3)
Other comprehensive income (loss) for the period, net of income tax			
Exchange differences on translating foreign operations		(121.9)	77.8
Transfers from foreign currency translation reserve to profit and loss	16	-	48.5
Total other comprehensive income (loss) for the period, net of income tax		(121.9)	126.3
Total comprehensive income (loss) for the period		(168.6)	89.0
Profit (loss) attributable to:			
Equity holder of the Group		(47.0)	(36.4)
Non-controlling interests		0.3	(0.9)
		(46.7)	(37.3)
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group		(121.9)	126.1
Non-controlling interests		-	0.2
		(121.9)	126.3

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

Reynolds Group Holdings Limited
Interim unaudited condensed statements of financial position

(In \$ million)	Note	As at March 31, 2011	As at December 31, 2010
Assets			
Cash and cash equivalents		1,185.5	663.8
Trade and other receivables		1,120.4	1,150.2
Inventories	11	1,514.1	1,280.6
Current tax assets		53.2	108.6
Assets held for sale		20.2	17.8
Derivatives		15.3	11.8
Other assets		48.4	63.1
Total current assets		3,957.1	3,295.9
Non-current receivables		307.0	303.1
Investments in associates and joint ventures (equity method)		118.0	109.6
Deferred tax assets		25.8	23.3
Property, plant and equipment	12	3,281.4	3,274.6
Investment properties		67.0	67.6
Intangible assets	13	8,945.8	8,934.9
Derivatives		95.9	87.0
Other assets		87.7	75.0
Total non-current assets		12,928.6	12,875.1
Total assets		16,885.7	16,171.0
Liabilities			
Bank overdrafts		3.5	11.7
Trade and other payables		1,495.7	1,247.5
Borrowings	14	31.5	141.3
Current tax liabilities		150.1	140.0
Derivatives		0.2	1.2
Employee benefits		138.6	194.7
Provisions	15	91.9	72.6
Total current liabilities		1,911.5	1,809.0
Non-current payables		8.0	8.3
Borrowings	14	12,547.6	11,699.0
Deferred tax liabilities		1,257.7	1,324.3
Employee benefits		962.6	971.5
Provisions	15	100.4	91.4
Total non-current liabilities		14,876.3	14,094.5
Total liabilities		16,787.8	15,903.5
Net assets		97.9	267.5
Equity			
Share capital		1,695.0	1,695.0
Reserves		(1,313.8)	(1,191.9)
Retained earnings (accumulated losses)		(305.5)	(258.5)
Equity attributable to equity holder of the Group		75.7	244.6
Non-controlling interest		22.2	22.9
Total equity		97.9	267.5

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

Reynolds Group Holdings Limited

Interim unaudited condensed statements of changes in equity

(In \$ million)	Share capital	Translation of foreign operations	Other reserves	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, 2010)	1,653.9	76.1	(513.3)	(129.6)	1,087.1	16.3	1,103.4
Total comprehensive income for the period:							
Profit (loss) after tax	-	-	-	(36.4)	(36.4)	(0.9)	(37.3)
Foreign exchange translation reserve	-	126.1	-	-	126.1	0.2	126.3
Dividends paid to non-controlling interests	-	-	-	-	-	(1.8)	(1.8)
Balance at March 31, 2010	1,653.9	202.2	(513.3)	(166.0)	1,176.8	13.8	1,190.6
Balance at the beginning of the period (January 1, 2011)	1,695.0	369.0	(1,560.9)	(258.5)	244.6	22.9	267.5
Total comprehensive income for the period:							
Profit (loss) after tax	-	-	-	(47.0)	(47.0)	0.3	(46.7)
Foreign exchange translation reserve	-	(121.9)	-	-	(121.9)	-	(121.9)
Dividends paid to non-controlling interests	-	-	-	-	-	(1.0)	(1.0)
Balance at March 31, 2011	1,695.0	247.1	(1,560.9)	(305.5)	75.7	22.2	97.9

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

Reynolds Group Holdings Limited
Interim unaudited condensed statements of cash flows

(In \$ million)	For the three months ended March 31,	
	2011	2010
Cash flows from operating activities		
Cash received from customers	2,427.6	1,386.1
Cash paid to suppliers and employees	(2,228.4)	(1,232.6)
Interest paid	(58.3)	(27.8)
Income taxes (paid) refunds	27.6	(34.3)
Net cash from operating activities	168.5	91.4
Cash flows used in investing activities		
Acquisition of property, plant and equipment and investment properties	(101.1)	(53.2)
Proceeds from sale of property, plant and equipment, investment properties and other assets	2.4	9.3
Acquisition of intangible assets	(4.0)	(4.4)
Acquisition of businesses, net of cash acquired	-	(24.3)
Disposal of business, net of cash disposed	-	32.4
Disposal of other investments	0.8	1.2
Related party advances	-	(0.7)
Interest received	1.2	1.0
Dividends received from joint ventures	1.8	1.1
Net cash used in investing activities	(98.9)	(37.6)
Cash flows (used in) from financing activities		
Draw down of loans and borrowings:		
2011 Credit Agreement	2,666.2	-
2011 Notes	2,000.0	-
2009 Credit Agreement	10.0	-
Other borrowings	0.2	0.6
Repayment of loans and borrowings:		
2009 Credit Agreement	(4,168.3)	(8.7)
Other borrowings	(1.5)	(1.8)
Payment of transaction costs	(55.8)	(11.8)
Payment for acquisition of businesses under common control*	-	(4.7)
Dividends paid to non-controlling interests	(1.0)	(1.8)
Net cash from (used in) financing activities	449.8	(28.2)
Net increase in cash and cash equivalents	519.4	25.6
Cash and cash equivalents at the beginning of the period	652.1	514.4
Effect of exchange rate fluctuations on cash held	10.5	(5.8)
Cash and cash equivalents at March 31	1,182.0	534.2
Cash and cash equivalents comprise		
Cash and cash equivalents	1,185.5	535.9
Bank overdrafts	(3.5)	(1.7)
Cash and cash equivalents at March 31	1,182.0	534.2

* Relates to the net payment of the working capital adjustments on the acquisition of the Closures and Reynolds Consumer businesses on November 5, 2009.

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

Reynolds Group Holdings Limited

Interim unaudited condensed statements of cash flows

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

(In \$ million)	For the three months ended March 31,	
	2011	2010
Profit (loss) for the period	(46.7)	(37.3)
Adjustments for:		
Depreciation of property, plant and equipment	124.2	76.2
Depreciation of investment properties	0.6	0.5
Amortization of intangible assets	66.2	43.5
Net foreign currency exchange loss	0.6	0.8
Change in fair value of derivatives	(4.1)	0.5
Gain (loss) on sale of property, plant and equipment	(0.1)	1.1
Gains on disposal of businesses	-	(9.1)
CSI Americas gain on acquisition	-	(9.8)
Net financial (income) expenses	279.9	131.0
Share of profit of equity accounted investees	(6.3)	(4.5)
Income tax (benefit) expense	(40.2)	36.1
Interest paid	(58.3)	(27.8)
Income tax (paid) refund	27.6	(34.3)
Change in trade and other receivables	41.8	(37.0)
Change in inventories	(220.2)	(42.3)
Change in trade and other payables	43.4	42.9
Change in provisions and employee benefits	(41.1)	(53.0)
Change in other assets and liabilities	1.2	13.9
Net cash from operating activities	168.5	91.4

Significant non-cash financing and investing activities

During the three month period ended March 31, 2011, related party interest income of \$3.9 million (2010: \$3.3 million) was capitalized as part of the non-current related party receivable balance included in other non-current receivables. Refer to note 17.

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

Reynolds Group Holdings Limited

Interim unaudited condensed statements of cash flows

Acquisitions and disposals of businesses

(In \$ million)	For the three months ended March 31,			
	2011		2010	
	Acquisitions	Disposals	Acquisitions	Disposals
Inflow (outflow) of cash:				
Cash receipts (payments)	-	-	(35.1)	32.4
Net cash acquired (disposed of)	-	-	10.8	-
Consideration received, satisfied in notes receivable	-	-	-	14.4
Consideration subject to post-closing adjustments	-	-	(1.1)	1.1
	-	-	(25.4)	47.9
Cash and cash equivalents	-	-	(10.8)	-
Net gain on sale before reclassification from foreign currency translation reserve	-	-	-	(9.9)
Net assets (acquired) disposed of	-	-	(36.2)	38.0
Details of net assets acquired/disposed of:				
Cash and cash equivalents	-	-	(10.8)	-
Trade and other receivables	-	-	(3.0)	11.7
Inventories	-	-	(10.7)	7.7
Deferred tax assets	-	-	(10.8)	-
Property, plant and equipment	-	-	(14.6)	22.2
Intangible assets (excluding goodwill)	-	-	(3.6)	0.4
Other current and non-current assets	-	-	(0.1)	0.4
Investment in associates and joint venture	-	-	-	3.4
Trade and other payables	-	-	7.0	(7.8)
Provisions and employee benefits	-	-	0.6	-
Net assets (acquired) / disposed of	-	-	(46.0)	38.0
Gain on acquisition	-	-	9.8	-
Amounts reclassified from foreign currency translation reserve	-	-	-	0.8
	-	-	(36.2)	38.8

The acquisition in 2010 relates to the purchase of Obrist Americas, Inc. in February 2010. The disposal in 2010 relates to the sale of the Group's envelope window film business and related operations in Avenal, New Jersey and Hazelton, Pennsylvania, together with the Group's interest in Multiplastics (Europe) Limited.

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

Reynolds Group Holdings Limited
Notes to interim unaudited condensed financial statements
For the period ended March 31, 2011

1. Reporting entity

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

The interim unaudited condensed financial statements of the Company as at and for the three month period ended March 31, 2011 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 interim unaudited condensed financial statements have been prepared in accordance with IAS 34: "Interim Financial Reporting". The disclosures required in these interim unaudited condensed financial statements are less extensive than the disclosure requirements for annual financial statements. The December 31, 2010 interim unaudited condensed statement of financial position was derived from audited financial statements, but does not include the disclosures required by IFRS as issued by the IASB.

The interim unaudited condensed financial statements comprise the statements of comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited condensed financial statements.

The interim unaudited condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Group for the period ended December 31, 2010.

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

2.2 Going concern

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

2.3 Basis of measurement

The interim unaudited condensed 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.

The accounting policies applied by the Group in these interim unaudited condensed financial statements are the same as those applied by the Group in the annual financial statements for the period ended December 31, 2010.

2.4 Presentation currency

These interim unaudited condensed financial statements are presented in US dollars ("\$"), which is the Group's presentation currency. The Group changed its presentation currency from the Euro to \$ in the period ended June 30, 2010.

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

As disclosed in note 33 of the annual financial statements of the Group for the year ended December 31, 2010, on May 4, 2010 the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited and on September 1, 2010 the Group acquired the business operations of the Reynolds foodservice packaging business from subsidiaries of Reynolds (NZ) Limited.

Prior to these 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 (revised)". In accordance with the Group's accounting policy for business combinations under common control, as outlined in note 3.1(d) of the annual financial statements of the Group for the year ended December 31, 2010, the Group has compiled the comparative information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.6 Revisions and reclassifications

As disclosed in the December 31, 2010 annual financial statements, certain adjustments were recorded during the year ended December 31, 2010 to correct the classifications of sales allowances by reducing revenue and cost of sales within the statement of comprehensive income to align with the method of presentation adopted by the Group. The corrected three months ended March 31, 2010 revenue and cost of sales amounts differ by \$23.4 million from the amounts previously reported in the Group's financial statements for the three months ended March 31, 2010. These adjustments had no impact on gross profit, profit from operating activities, EBITDA, Adjusted EBITDA, loss after income tax, the statements of financial position or the statements of cash flows.

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As of November 16 and December 31, 2010 the fair values attributed to the assets and liabilities associated with the Pactiv acquisition (refer to note 18) were based on preliminary values. As detailed in note 3.3, 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 was 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 3.3, 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 a reduction in previously reported March 31, 2011 total assets from \$16,900.6 million to \$16,885.7 million and a reduction in net assets as of March 31, 2011 from \$107.2 million to \$97.9 million. The adjustment described above had no impact on profit after income tax, the statement of cash flows or Adjusted EBITDA (refer to note 6) for the three months ended March 31, 2011.

2.7 Accounting policies and recently issued accounting pronouncements

The accounting policies applied by the Group in the interim unaudited condensed financial statements are the same as those applied by the Group in its annual financial statements for the year ended December 31, 2010.

Recently Issued Accounting Pronouncements

IFRS 9 "Financial Instruments" is the replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. We are currently evaluating the impact of IFRS 9 on our financial statements.

On May 12, 2011, the IASB released IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and IFRS 13 "Fair Value Measurement" as part of its new suite of consolidation and related standards, replacing and amending a number of existing standards and pronouncements. Each of these standards is effective for annual reporting periods beginning on or after January 1, 2013, with early adoption permitted.

IFRS 10 introduces a new approach to determining which investments should be consolidated and supersedes the requirements of IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". Under the requirements of this new standard, the IASB has provided a series of indicators to determine control (replacing the existing hierarchy approach) which requires judgment to be exercised in making the assessment of control. The new standard also introduces the concept of de facto control, provides greater guidance on the assessment of potential voting rights, while also requiring control to be assessed on a continuous basis where changes arise that do not merely result from a change in market conditions. IFRS 11 overhauls the accounting for joint arrangements (previously known as joint ventures) and directly supersedes IAS 31 "Interests in Joint Ventures" while amending IAS 28 (2011) "Investments in Associates and Joint Ventures". Under the requirements of the new standard, jointly controlled entities can be accounted for using either the equity or proportional consolidation method, whereas joint ventures (previously referred to as jointly controlled operations and jointly controlled assets) must be accounted for using the proportional consolidation method. IFRS 12 combines into a single standard the disclosure requirements for subsidiaries, associated and joint arrangements and unconsolidated structure entities. Under the expanded and new disclosure requirements, information is required to be provided to enable users to evaluate the nature of the risks associated with a reporting entity's interest in other entities and the effect those interests can have on the reporting entity's financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structure entities. IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirement for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS's. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement. The Group is currently evaluating the effects of IFRS 10, IFRS 11, IFRS 12 and IFRS 13 on its financial statements.

Interpretations and amendments to existing standards effective in 2011

The following interpretations and standards which have not previously been early adopted were mandatory for the Group during the current period:

- 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 adoption of these interpretations and standards did not have any material impact on the financial statements of the Group for the three months ended March 31, 2011.

3. Use of estimates and judgments

In the preparation of the interim unaudited condensed financial statements, the Directors and management have made certain 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.

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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.

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:

3.1 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 cash generating unit ("CGU") being reviewed). Significant judgement is involved with estimating the fair value of a CGU. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(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.

3.2 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.

3.3 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 March 31, 2011, the amounts presented for the acquisition of Pactiv Corporation ("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) of the annual financial statements of the Group for the year ended December 31, 2010, 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. Seasonality and Working Capital Fluctuations

The Group's segments are impacted by seasonal fluctuations.

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

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

The Closures segment's operations are impacted by moderate seasonal fluctuations. The Closures segment experiences some seasonality as a result of increased consumption of bottled beverages during the summer months. In order to avoid capacity shortfalls in the summer months, the Closures segment's customers typically begin building inventories in advance of the summer season. Therefore, the Closures segment typically experiences a greater level of closure sales in the second and third quarters in the Northern Hemisphere, which represented 82% of total revenue in 2010, and in the fourth and first quarters in the Southern Hemisphere, which represented 18% of total revenue in 2010.

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The Reynolds Consumer Products segment's operations are subject to seasonal patterns of key product lines. Sales in cooking products are typically higher in the fourth quarter of the year, primarily due to the holiday use of Reynolds Wrap foil, Reynolds Oven Bags and Reynolds Parchment Paper. Sales in waste and storage products are typically higher in the second half of the year in North America, coinciding with the harvest season and outdoor fall cleanup.

The Pactiv Foodservice segment's operations are moderately seasonal, peaking during the summer and fall months in the Northern Hemisphere when the favorable weather, harvest, and the upcoming holiday season lead to increased consumption. The Pactiv Foodservice segment therefore typically experiences a greater level of sales in the second and third quarters.

5. Financial risk management

5.1 Financial risk factors

Exposure to market risk (including currency risk, interest rate risk and commodity prices), credit risk and liquidity risk arises in the normal course of the Group's business. During the three months ended March 31, 2011, the Group continued to apply the risk management objectives and policies which were disclosed in the annual financial statements of the Group for the year ended December 31, 2010.

The interim unaudited condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2010.

5.2 Liquidity risk

As described in note 14, during the three month period ended March 31, 2011, the Group issued the 2011 Notes and refinanced the 2009 Credit Agreement. As a result of these changes in borrowings, the Group's contractual cash flows related to total borrowings are as follows:

(In \$ million)	Total debt and interest	Less than one year	One to five years	Greater than five years
March 31, 2011 *	20,091.2	962.4	4,014.4	15,114.4
December 31, 2010 *	18,340.5	1,025.4	5,200.3	12,114.8

* The interest rate on the floating rate debt balances has been assumed to be the same as the rate as at March 31, 2011 and December 31, 2010, respectively.

There have been no other significant changes in the contractual cash flows of the Group's other financial liabilities.

5.3 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).

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For the period ended March 31, 2011

(In \$ million)	Level 1	Level 2	Level 3	Total
March 31, 2011				
Financial assets at fair value through profit or loss				
Derivative financial assets				
Commodity derivatives, net	-	15.1	-	15.1
Embedded derivatives	-	95.9	-	95.9
Total	-	111.0	-	111.0
Financial liabilities at fair value through profit or loss				
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	-	-	-	-

There were no transfers between any levels during the three month period ended March 31, 2011. There have been no changes in the classifications of financial assets as a result of a change in the purpose or use of these assets.

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 a manufacturer and supplier of a broad range of 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 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.
- **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 capping equipment and machinery as well as associated technical support and training.
- **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® and Hefty®. 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 (refer to note 18), the Reynolds Consumer Products segment consisted solely of the Reynolds consumer products business. The Group is in the process of combining its Reynolds consumer products business with its Hefty consumer products business.
- **Pactiv Foodservice** – Pactiv Foodservice is a manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a 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 (refer to note 18), 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

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a non-recurring or unusual nature, including but not limited to such items as non-cash pension income, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and equity method profit not distributed in cash.

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

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Business segment reporting

For the three month period ended March 31, 2011

(In \$ million)	Reynolds						Total
	SIG Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice	Corporate / unallocated *	
Total external revenue	461.4	382.4	292.2	528.7	702.8	-	2,367.5
Total inter-segment revenue	-	6.8	2.5	12.4	9.4	(31.1)	-
Total segment revenue	461.4	389.2	294.7	541.1	712.2	(31.1)	2,367.5
Gross profit	102.2	62.3	42.4	130.3	112.8	-	450.0
Expenses and other income	(59.8)	(13.6)	(24.8)	(62.5)	(97.9)	(4.7)	(263.3)
Share of profit of associates and joint ventures (equity method)	5.9	0.4	-	-	-	-	6.3
Earnings before interest and tax ("EBIT")	48.3	49.1	17.6	67.8	14.9	(4.7)	193.0
Financial income							101.0
Financial expenses							(380.9)
Loss before income tax							(86.9)
Income tax benefit							40.2
Loss after income tax							(46.7)
Earnings before interest and tax ("EBIT")	48.3	49.1	17.6	67.8	14.9	(4.7)	193.0
Depreciation and amortization	62.4	14.6	19.5	31.3	63.2	-	191.0
Earnings before interest, tax, depreciation and amortization ("EBITDA")	110.7	63.7	37.1	99.1	78.1	(4.7)	384.0
Included in EBITDA:							
Business acquisition costs	-	-	-	-	0.2	0.4	0.6
Business integration costs	-	-	-	-	1.5	-	1.5
Equity method profit not distributed in cash	(4.1)	(0.4)	-	-	-	-	(4.5)
Impact of purchase price accounting on leases	-	-	-	-	(0.4)	-	(0.4)
Impact of purchase price accounting on inventories	-	-	-	-	0.8	-	0.8
Non-cash pension (income)/expense	-	-	-	1.2	1.8	(14.4)	(11.4)
Operational process engineering-related consultancy costs	-	-	-	1.6	3.0	0.6	5.2
Restructuring costs	0.7	-	0.4	9.6	22.9	11.6	45.2
Unrealized loss (gain) on derivatives	(0.2)	(0.6)	0.2	(1.2)	(2.3)	-	(4.1)
Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")	107.1	62.7	37.7	110.3	105.6	(6.5)	416.9
Segment assets as at March 31, 2011	3,349.4	1,229.2	1,784.3	1,829.0	412.0	8,281.8	16,885.7

* 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 addition, as at March 31, 2011, it includes \$8,850.3 million of assets related to the businesses acquired in the Pactiv acquisition that have not yet been allocated between the Reynolds Consumer Products and Pactiv Foodservice segments. The Group is currently working on the allocation of assets and expects to be completed no later than November 16, 2011. 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 three month period ended March 31, 2011.

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Business segment reporting

For the three month period ended March 31, 2010

(In \$ million)	Reynolds						Total
	SIG Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice	Corporate / unallocated *	
Total external revenue	410.6	363.4	254.8	248.4	130.4	-	1,407.6
Total inter-segment revenue	-	-	1.0	10.5	14.5	(26.0)	-
Total segment revenue	410.6	363.4	255.8	258.9	144.9	(26.0)	1,407.6
Gross profit	104.6	32.0	35.0	63.1	12.1	-	246.8
Expenses and other income	(55.6)	(18.6)	(14.5)	(28.9)	(3.4)	(0.5)	(121.5)
Share of profit of associates and joint ventures (equity method)	4.2	0.3	-	-	-	-	4.5
Earnings before interest and tax ("EBIT")	53.2	13.7	20.5	34.2	8.7	(0.5)	129.8
Financial income							21.9
Financial expenses							(152.9)
Loss before income tax							(1.2)
Income tax expense							(36.1)
Loss after income tax							(37.3)
Earnings before interest and tax ("EBIT")	53.2	13.7	20.5	34.2	8.7	(0.5)	129.8
Depreciation and amortization	60.0	15.3	21.4	14.4	9.1	-	120.2
Earnings before interest, tax, depreciation and amortization ("EBITDA")	113.2	29.0	41.9	48.6	17.8	(0.5)	250.0
Included in EBITDA:							-
Business acquisition costs	-	0.5	-	-	-	-	0.5
Business interruption costs	-	-	0.8	-	-	-	0.8
CSI Americas gain on acquisition	-	-	(9.8)	-	-	-	(9.8)
Equity method profit not distributed in cash	(3.1)	(0.3)	-	-	-	-	(3.4)
Gain on sale of businesses	-	-	-	-	(9.1)	-	(9.1)
Operational process engineering-related consultancy costs	-	0.8	-	5.3	-	-	6.1
Related party management fees	-	0.6	-	-	-	-	0.6
Restructuring costs (recoveries)	2.9	-	-	(1.2)	(0.7)	-	1.0
Unrealized (gains) losses on derivatives	-	1.1	(0.9)	-	0.3	-	0.5
Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")	113.0	31.7	32.0	52.7	8.3	(0.5)	237.2
Segment assets as at December 31, 2010	3,439.3	1,256.6	1,739.1	1,763.0	404.6	7,568.4	16,171.0

* 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, as at December 31, 2010 it includes \$8,345.2 million of assets related to the businesses acquired in the Pactiv Acquisition that have not yet been allocated between the Reynolds Consumer Products and Pactiv Foodservice segments.

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7. Other income

(In \$ million)	For the three month period ended	
	March 31,	
	2011	2010
CSI Americas gain on acquisition	-	9.8
Gain on sale of businesses	-	9.1
Income from facility management	2.8	1.9
Rental income from investment properties	1.7	1.7
Royalty income	0.6	0.5
Sale of by-products	7.3	5.8
Unrealized gains on derivatives	4.1	-
Other	6.1	5.7
Total other income	22.6	34.5

8. Other expenses

(In \$ million)	Note	For the three month period ended	
		March 31,	
		2011	2010
Business acquisition costs		(0.6)	(0.5)
Business integration costs		(1.5)	-
Business interruption costs		-	(0.8)
Loss on disposal of property, plant and equipment		-	(1.1)
Net foreign currency exchange loss		(4.0)	(0.8)
Operational process engineering-related consultancy costs		(5.2)	(6.1)
Related party management fees	17	-	(0.6)
Restructuring costs		(45.2)	(1.0)
Unrealized losses on derivatives		-	(0.5)
Other		(0.8)	(0.8)
Total other expenses		(57.3)	(12.2)

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9. Financial income and expenses

(In \$ million)	Note	For the three month period ended	
		March 31,	
		2011	2010
Interest income		1.2	1.0
Interest income on related party loans	17	3.9	4.5
Net change in fair values of derivatives		-	16.4
Net foreign currency exchange gain		95.9	-
Financial income		101.0	21.9
Interest expense			
2011 Credit Agreement		(15.6)	-
2009 Credit Agreement		(29.0)	(21.6)
2011 Notes		(25.2)	-
October 2010 Notes		(60.5)	-
May 2010 Notes		(21.3)	-
2009 Notes		(35.0)	(33.9)
2007 Notes		(26.7)	(27.2)
Pactiv 2012 Notes		(3.7)	-
Pactiv 2017 Notes		(6.1)	-
Pactiv 2018 Notes		(0.3)	-
Pactiv 2025 Notes		(5.5)	-
Pactiv 2027 Notes		(4.2)	-
CHH Facility		-	(5.7)
Amortization of:			
Debt issue costs			
2011 Credit Agreement		(0.4)	-
2009 Credit Agreement		(86.0)	(1.5)
2011 Notes		(0.4)	-
October 2010 Notes		(2.5)	-
May 2010 Notes		(0.7)	-
2009 Notes		(2.1)	(2.1)
2007 Notes		(1.0)	(1.0)
CHH Facility		-	(0.3)
Fair value adjustment of Pactiv Notes		2.3	-
Original issue discounts		(38.3)	(1.2)
Embedded derivatives		1.5	0.4
Net change in fair values of derivatives		(18.1)	-
Net foreign currency exchange loss		-	(55.4)
Other		(2.1)	(3.4)
Financial expenses		(380.9)	(152.9)
Net financial expenses		(279.9)	(131.0)

In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the 2011 Notes as well as proceeds from the 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance cost of \$86.0 million and unamortized original issuance discount of \$37.6 million related to the 2009 Credit Agreement were expensed during the three month period ended March 31, 2011. Refer to note 14 for details of the Group's borrowings.

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10. Income tax

(In \$ million)	For the three month period ended	
	March 31,	
	2011	2010
Reconciliation of effective tax rate		
Loss before income tax	(86.9)	(1.2)
Income tax benefit using the New Zealand tax rate of 28% (2010: 30%)	24.3	0.4
Effect of differences of tax rates in foreign jurisdictions	13.5	(10.1)
Effect of state and local tax rates	2.9	(2.2)
Recognition of previously unrecognized tax losses and temporary differences	11.8	0.3
Other taxable and non-deductible items	(7.7)	(1.7)
Domestic manufacturers deduction	2.4	-
Withholding tax	(2.1)	(0.7)
Current period losses for which no deferred tax asset was recognized	(1.3)	(19.9)
Tax rate modifications	(1.3)	(2.4)
Tax audits and contingencies	(1.0)	-
Other	(1.3)	0.2
Total income tax benefit (expense)	40.2	(36.1)

11. Inventories

(In \$ million)	As at March 31, 2011	As at December 31, 2010
Raw materials and consumables	400.4	378.8
Work in progress	187.0	167.0
Finished goods	847.2	646.0
Engineering and maintenance materials	148.5	145.7
Provision against inventories	(69.0)	(56.9)
Total inventories	1,514.1	1,280.6

During the three month period ended March 31, 2011, the write-down of inventories to net realizable value amounted to \$0.9 million (March 31, 2010: \$1.3 million).

12. Property, plant and equipment

(In \$ million)	Land	Buildings, plant and equipment	Capital work in progress	Leased assets lessor	Finance leased assets	Total
Cost	212.9	3,490.7	243.6	275.2	28.0	4,250.4
Accumulated depreciation	-	(842.2)	-	(116.9)	(2.3)	(961.4)
Accumulated impairment losses	-	(7.6)	-	-	-	(7.6)
Carrying amount at March 31, 2011	212.9	2,640.9	243.6	158.3	25.7	3,281.4
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

The total depreciation charge of \$124.2 million for the three month period ended March 31, 2011 (March 31, 2010: \$76.2 million) is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2011: \$118.6 million, March 31, 2010: \$72.5 million), selling, marketing and distribution expenses (March 31, 2011: \$0.9 million, March 31, 2010: \$1.0 million) and general and administration expenses (March 31, 2011: \$4.7 million, March 31, 2010: \$2.7 million). Property, plant and equipment of \$3,281.4 million at March 31, 2011 include an amount of \$1,434.0 million in respect of the Pactiv acquisition that has been determined on a provisional basis. See note 18 regarding the status of the Pactiv purchase price allocation.

During the three month period ended March 31, 2011, no impairment charges or reversals of previously recognized impairment charges were recognized (March 31, 2010: nil).

The Group leases plant and equipment under finance leases. The leased plant and equipment secures the lease obligations.

Refer to note 14 for details of security granted over property, plant and equipment and other assets.

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13. Intangible assets

(In \$ million)	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total
Cost	4,381.9	2,434.9	2,024.9	547.0	292.9	9,681.6
Accumulated amortization	-	(11.5)	(322.5)	(248.4)	(138.5)	(720.9)
Accumulated impairment losses	-	-	-	-	(14.9)	(14.9)
Carrying amount at March 31, 2011	4,381.9	2,423.4	1,702.4	298.6	139.5	8,945.8
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

The total amortization charge of \$66.2 million for the three month period ended March 31, 2011 (March 31, 2010: \$43.5 million) is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2011: \$21.7 million, March 31, 2010: \$20.4 million) and general and administration expenses (March 31, 2011: \$44.5 million, March 31, 2010: \$23.1 million). Intangible assets of \$8,945.8 million at March 31, 2011 include an amount of \$5,815.1 million in respect of the Pactiv acquisition that has been determined on a provisional basis. See note 18 regarding the status of the Pactiv purchase price allocation.

13.1 Impairment testing for CGUs containing indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangible assets with indefinite useful lives and are therefore not subject to amortization. Instead, recoverable amounts are calculated annually as well as whenever there is an indication that they may be impaired. As at March 31, 2011, provisional goodwill and indefinite life intangible assets of \$4,452.6 million arising from the Pactiv acquisition (refer to note 18) have not yet been allocated to the Group's segments. There were no indicators of impairment as at March 31, 2011.

14. Borrowings

(In \$ million)	Note	As at March 31, 2011	As at December 31, 2010
2011 Credit Agreement ^{(a)(p)}		26.8	-
2009 Credit Agreement ^{(b)(q)}		-	135.7
Non-interest bearing related party borrowings	17	0.7	0.7
Other borrowings ^(x)		4.0	4.9
Current borrowings		31.5	141.3
2011 Credit Agreement ^{(a)(p)}		2,635.0	-
2009 Credit Agreement ^{(b)(q)}		-	3,890.5
2011 Senior Secured Notes ^{(c)(r)}		999.0	-
2011 Senior Notes ^{(d)(r)}		992.9	-
October 2010 Senior Secured Notes ^{(e)(s)}		1,471.1	1,470.2
October 2010 Senior Notes ^{(f)(s)}		1,464.8	1,463.8
May 2010 Notes ^{(g)(t)}		978.0	977.6
2009 Notes ^{(h)(u)}		1,686.7	1,647.6
2007 Senior Notes ^{(i)(v)}		660.3	620.7
2007 Senior Subordinated Notes ^{(j)(v)}		577.1	542.3
Pactiv 2012 Notes ^{(k)(w)}		259.0	260.9
Pactiv 2017 Notes ^{(l)(w)}		315.4	315.9
Pactiv 2018 Notes ^{(m)(w)}		16.4	16.4
Pactiv 2025 Notes ^{(n)(w)}		269.6	269.5
Pactiv 2027 Notes ^{(o)(w)}		197.0	197.0
Other borrowings ^(x)		25.3	26.6
Non-current borrowings		12,547.6	11,699.0
Total borrowings		12,579.1	11,840.3

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(In \$ million)	As at March 31, 2011	As at December 31, 2010
(a) 2011 Credit Agreement (current and non-current)	2,678.3	-
Transaction costs	(16.5)	-
Carrying amount	2,661.8	-
(b) 2009 Credit Agreement (current and non-current)	-	4,149.8
Transaction costs	-	(86.0)
Original issue discount	-	(37.6)
Carrying amount	-	4,026.2
(c) 2011 Senior Secured Notes	1,000.0	-
Transaction costs	(15.8)	-
Embedded derivative	14.8	-
Carrying amount	999.0	-
(d) 2011 Senior Notes	1,000.0	-
Transaction costs	(18.2)	-
Embedded derivative	11.1	-
Carrying amount	992.9	-
(e) October 2010 Senior Secured Notes	1,500.0	1,500.0
Transaction costs	(37.3)	(38.5)
Embedded derivative	8.4	8.7
Carrying amount	1,471.1	1,470.2
(f) October 2010 Senior Notes	1,500.0	1,500.0
Transaction costs	(44.5)	(45.8)
Embedded derivative	9.3	9.6
Carrying amount	1,464.8	1,463.8
(g) May 2010 Notes	1,000.0	1,000.0
Transaction costs	(30.7)	(31.4)
Embedded derivative	8.7	9.0
Carrying amount	978.0	977.6
(h) 2009 Notes	1,761.0	1,723.3
Transaction costs	(67.6)	(69.3)
Original issue discount	(19.0)	(19.0)
Embedded derivative	12.3	12.6
Carrying amount	1,686.7	1,647.6
(i) 2007 Senior Notes	678.3	638.2
Transaction costs	(18.0)	(17.5)
Carrying amount	660.3	620.7
(j) 2007 Senior Subordinated Notes	593.6	558.4
Transaction costs	(16.5)	(16.1)
Carrying amount	577.1	542.3
(k) Pactiv 2012 Notes	249.3	249.3
Fair value adjustment at acquisition	9.7	11.6
Carrying amount	259.0	260.9
(l) Pactiv 2017 Notes	299.7	299.7
Fair value adjustment at acquisition	15.7	16.2
Carrying amount	315.4	315.9
(m) Pactiv 2018 Notes	15.7	15.7
Fair value adjustment at acquisition	0.7	0.7
Carrying amount	16.4	16.4
(n) Pactiv 2025 Notes	276.4	276.4
Fair value adjustment at acquisition	(6.8)	(6.9)
Carrying amount	269.6	269.5
(o) Pactiv 2027 Notes	200.0	200.0
Fair value adjustment at acquisition	(3.0)	(3.0)
Carrying amount	197.0	197.0

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(p) 2011 Credit Agreement

The Company and certain members of the Group are parties to an amended and restated senior secured credit agreement dated February 9, 2011 (the "2011 Credit Agreement"), which amended and restated the 2009 Credit Agreement and comprises the following term and revolving tranches:

(In million)	Maturity Date	Original Facility Value	Value Drawn or Utilized at March 31, 2011	Applicable interest rate for the three month period ended March 31, 2011
<i>Term Tranches</i>				
US Term Loan (\$)	February 9, 2018	\$2,325.0	\$2,325.0	4.25%
European Term Loan (€)	February 9, 2018	€250.0	€250.0	5.00%
<i>Revolving Tranches ⁽¹⁾</i>				
\$ Revolving Tranche	November 5, 2014	\$120.0	\$48.5	-
€ 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 proceeds of the US Term Loan and the European Term Loan under the 2011 Credit Agreement were used to fully repay the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan under the 2009 Credit Agreement (as defined below).

The Company and certain members of the Group have guaranteed on a senior basis the obligations under the 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Notes, the October 2010 Senior Secured Notes and the 2011 Senior Secured Notes.

Indebtedness under the 2011 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 of 0.25% of the initial outstanding principal in respect of the term loans.

The 2011 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 2011 Credit Agreement. The Group also has interest coverage ratio and maximum senior secured leverage ratio covenants as well as limitations on capital expenditures. At March 31, 2011 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 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 2011 Credit Agreement which may differ from the measure of Adjusted EBITDA disclosed in note 6.

(q) 2009 Credit Agreement

The Company and certain members of the Group were parties to a senior secured credit agreement dated November 5, 2009, as amended from time to time (the "2009 Credit Agreement"). On February 1, 2011, the Tranche D Term Loan under the 2009 Credit Agreement was repaid with the proceeds of the 2011 Notes and on February 9, 2011 the Tranche A Term Loan, the Tranche B Term Loan, the Tranche C Term Loan and the European Term Loan under the 2009 Credit Agreement were repaid with the proceeds of the US Term Loan and European Term Loan under the 2011 Credit Agreement.

(r) 2011 Notes

On February 1, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A., (together, the "Reynolds Issuers") issued \$1,000.0 million principal amount of 6.875% senior secured notes due 2021 (the "2011 Senior Secured Notes") and \$1,000.0 million principal amount of 8.250% senior notes due 2021 (the "2011 Senior Notes" and together with the 2011 Senior Secured Notes the "2011 Notes"). Interest on the 2011 Notes is paid semi-annually on February 15 and August 15 each year, commencing August 15, 2011.

(s) October 2010 Notes

On October 15, 2010, 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.

(t) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued \$1,000.0 million principal amount of 8.500% senior notes due 2018 (the "May 2010 Notes"). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

Reynolds Group Holdings Limited
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(u) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued \$1,125.0 million principal amount of 7.750% senior secured notes due 2016 and €450.0 million principal amount of 7.750% senior secured notes due 2016 (collectively, the "2009 Notes"). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

As a result of the pledge of the shares in Beverage Packaging Holdings (Luxembourg) I S.A. ("BP I") (a wholly owned subsidiary of the Company), the carrying values of the assets pledged as collateral under the 2011 Credit Agreement, the 2009 Notes, the October 2010 Senior Secured Notes and the 2011 Senior Secured Notes equates to the assets of the Group.

Terms Governing the Notes

As used herein "Notes" refers to the 2011 Notes, the October 2010 Notes, the May 2010 Notes and the 2009 Notes.

Certain Guarantee Arrangements

All of the guarantors of the 2011 Credit Agreement have guaranteed or will guarantee the obligations under the 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 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 Notes. This security is shared on a first priority basis with the creditors under the 2011 Credit Agreement.

Notes Indentures Restrictions

The respective indentures governing the Notes all 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 respective indentures governing the Notes.

Early Redemption Option and Change in Control Provisions

Under the respective indentures governing the Notes, the Reynolds Issuers, at their option, can elect to redeem the Notes under terms and conditions specified in the respective 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 respective Notes.

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

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, 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 separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective 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.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010. Additional interest on the May 2010 Notes commenced on May 4, 2011.

(v) 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 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 2011 Credit Agreement have 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.

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(w) Pactiv Notes

As of March 31, 2011 and December 31, 2010, the Group had outstanding:

- \$249.3 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");
- \$15.7 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 the ability of certain entities within the Group, 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 the Group'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.

(x) Other borrowings

At March 31, 2011, in addition to the 2011 Credit Agreement, the Notes, the 2007 Notes and the Pactiv Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

At March 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the 2011 Credit Agreement, the 2009 Notes, the October 2010 Senior Secured Notes, the 2011 Senior Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the 2011 Credit Agreement, the 2009 Notes, the October 2010 Senior Secured Notes and the 2011 Senior Secured Notes rank pari passu with the obligations under the 2011 Credit Agreement, the 2009 Notes, the October 2010 Senior Secured Notes and the 2011 Senior Secured Notes. At March 31, 2011, the secured facilities were utilized in the amount of \$2.1 million (December 31, 2010: \$3.3 million) in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other borrowings at March 31, 2011 also included finance lease obligations of \$27.2 million (December 31, 2010: \$28.2 million).

15. Provisions

(In \$ million)	Legal & warranty	Restructuring	Workers' compensation	Other	Total
Current	26.4	39.2	16.8	9.5	91.9
Non-current	25.7	0.1	17.2	57.4	100.4
Total provisions at March 31, 2011	52.1	39.3	34.0	66.9	192.3
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

The Group continued to integrate the operations of Pactiv with the Reynolds Consumer Products and Pactiv Foodservice segments. The initiatives, as well as other restructuring actions across the Group, have resulted in the recognition of \$45.2 million of restructuring expenses for the period ended March 31, 2011. These restructuring expenses primarily related to employee severance and will be settled in cash.

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16. Equity and other comprehensive income

16.1 Share capital

Number of shares	For the	
	Three month period ended March 31, 2011	Twelve month period ended December 31, 2010
Balance at the beginning of the period	111,000,004	111,000,003
Issue of shares	-	1
Balance	111,000,004	111,000,004

All issued ordinary shares are fully paid and have no par value.

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.

16.2 Dividends

There were no dividends declared or paid during the three month period ended March 31, 2011 (2010: nil) by the Company.

16.3 Other comprehensive income

During the period ended March 31, 2011, the Group transferred nil (2010: \$48.5 million) 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.

17. 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.

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 three month periods ended March 31, 2011 and 2010 are detailed below:

Entity name	Nature of relationship	Nature of transactions
Packaging Holdings Limited	Ultimate parent	Financing (loan) ^(c)
BPC Finance (N.Z.) Limited	Common ultimate shareholder	Transfer of tax losses
BPC United States Inc.	Common ultimate shareholder	Management fees, sale of services, trade receivables
Carter Holt Harvey Limited	Common ultimate shareholder	Trade receivables, trade payables, transfer of tax losses, sale of goods, purchase of goods
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
Rank Group Investments Limited	Common ultimate shareholder	Transfer of tax losses
Rank Group Limited	Common ultimate shareholder	Trade payables, loan to related party ^(b) , interest income, recharges
Reynolds Consumer Products (NZ) Limited	Common ultimate shareholder	Interest income
Reynolds Packaging (NZ) Limited	Common ultimate shareholder	Trade payables
Reynolds Packaging Group (NZ) Limited	Common ultimate shareholder	Trade payables
Reynolds Treasury (NZ) Limited	Common ultimate shareholder	Interest income
SIG Combibloc Obeikan FZCO	Joint venture	Sale of goods ^(a)
SIG Combibloc Obeikan Company Limited	Joint venture	Distribution ^(a)

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(In \$ million)	Transaction values for the period ended March 31,		Balances outstanding as at	
	2011	2010	March 31, 2011	December 31, 2010
Transactions with the immediate and ultimate parent companies				
Due to ultimate parent ^(c)	-	-	(0.7)	(0.7)
Transactions with joint ventures				
Sale of goods and services ^(a)	24.6	33.6	30.4	29.3
Purchase of goods ^(a)	(3.6)	-	(6.8)	(3.2)
Transactions with other related parties				
Trade receivables				
BPC United States Inc.	-	-	1.8	1.2
Sale of services	0.6	-	-	-
Carter Holt Harvey Limited	-	-	0.1	1.1
Sale of goods	2.1	-	-	-
Carter Holt Harvey Packaging Pty Limited	-	-	-	4.1
Sale of goods	3.8	-	-	-
Carter Holt Harvey Pulp & Paper Limited	-	-	0.9	0.4
Sale of goods	0.9	-	-	-
Reynolds Treasury (NZ) Limited	-	-	-	-
Interest charged	-	0.3	-	-
Trade payables				
BPC United States Inc.	-	-	-	-
Management fees	-	(0.6)	-	-
Carter Holt Harvey Limited	-	-	(0.3)	(1.1)
Purchase of goods	(0.2)	(1.4)	-	-
Carter Holt Harvey Packaging Pty Limited	-	-	-	(0.2)
Carter Holt Harvey Pulp and Paper Limited	-	-	(4.4)	(3.4)
Purchase of goods	(9.4)	(0.6)	-	-
Rank Group Limited	-	-	(11.6)	(9.7)
Recharges	(9.0)	(5.2)	-	-
Reynolds Packaging (NZ) Limited	-	-	-	(0.6)
Reynolds Packaging Group (NZ) Limited	-	-	-	(0.4)
Loans receivable				
Rank Group Limited ^(b)	-	-	255.4	255.5
Interest charged	3.9	3.3	-	-
Reynolds Consumer Products (NZ) Limited	-	-	-	-
Interest charged	-	0.9	-	-
Receivable related to transfer of tax losses to:				
Carter Holt Harvey Limited	-	4.7	4.8	4.9
CFC Tax Liability				
BPC Finance (N.Z.) Limited	-	-	(3.2)	(3.3)
Rank Group Investments Limited	-	-	(1.8)	(1.8)

(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 three month period ended March 31, 2011, interest was charged at 6.25% (2010: 5.98%). The advance is unsecured and repayable on demand. This loan is subordinated on terms such that no payments can be made to the Group until the obligations under a senior secured credit facility are repaid in full.

(c) The advance due to Packaging Holdings Limited is non-interest bearing, unsecured and repayable on demand.

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18. Business combinations

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv for a purchase price of \$4,452.0 million. 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. As the Group's businesses are being combined with the acquired business, the Group is unable to quantify the results of the acquired business separately for the first quarter of 2011. For the first quarter of 2010, Pactiv's revenue, profit from operating activities, EBITDA and Adjusted EBITDA were \$783.8 million, \$103.1 million, \$149.5 million and \$137.4 million, respectively. These amounts include IFRS adjustments and will not agree to historically reported Pactiv results as Pactiv reported results under U.S.GAAP.

Funding for the purchase consideration and the refinancing of certain 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 the acquisition date as listed below were based on their estimated fair values. There have been no changes to these provisional amounts at March 31, 2011. The Group expects to finalize the purchase accounting no later than November 16, 2011.

(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

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"). Refer to the "Acquisitions and disposals of businesses" section included within the interim unaudited condensed statements of cash flows for the period ended March 31, 2010 for details of the net assets acquired.

The finalization of purchase price accounting in December 2010 resulted in a gain on acquisition of \$9.8 million. In accordance with accounting standards, the gain was reflected retroactively as of the date of acquisition.

19. Contingencies

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 March 31, 2011. The Group does not believe that it is engaged in any other legal proceedings for which a 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 described in note 14.

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20. Condensed consolidating guarantor financial information

Certain of the Group's subsidiaries have guaranteed the Group's obligations under the 2011 Notes, the October 2010 Notes, the May 2010 Notes, and the 2009 Notes.

In accordance with SEC Regulation S-X Rule 3-10 disclosure requirements, the following condensed consolidating financial information presents:

- (1) The condensed consolidating statements of financial position as at March 31, 2011 and December 31, 2010 and the related statements of financial performance and cash flows for the three months periods ended March 31, 2011 and March 31, 2010 of:
 - a. the Company (the "Parent");
 - b. the Reynolds 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 the Company with the Reynolds Issuers, the other guarantor subsidiaries, SIG Combibloc Ltd. (Thailand), the Austrian Companies and the non-guarantor subsidiaries.

Certain regulatory approvals are still pending in respect of the guarantees of SIG Combibloc Ltd. (Thailand) for the 2011 Notes, the October 2010 Notes and the May 2010 Notes. SIG Combibloc Ltd. (Thailand) 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 the three months ended March 31, 2010 and the condensed consolidating statement of financial position at December 31, 2010 have been updated to reflect the current guarantor structure of the Group.

Each guarantor subsidiary is 100% owned by the Company. 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 legal entity groups 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 which comply with IFRS with the exception of investments in subsidiaries which have been 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. This presentation is consistent with SEC Regulation S-X Rule 3-10 disclosure requirements.

Reynolds Group Holdings Limited

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For the period ended March 31, 2011

Condensed consolidating statement of financial performance

For the three month period ended March 31, 2011

(In \$ million)	SIG						Consolidated
	Parent	Reynolds Issuers	Other guarantor entities	Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	
Revenue	-	-	2,172.0	56.9	225.5	(86.9)	2,367.5
Cost of sales	-	-	(1,773.7)	(46.6)	(184.1)	86.9	(1,917.5)
Gross profit	-	-	398.3	10.3	41.4	-	450.0
Other income, other expenses, and share of equity method earnings, net of income tax	(49.8)	-	(13.8)	(5.4)	2.0	38.6	(28.4)
Selling, marketing and distribution expenses	-	-	(72.8)	(0.7)	(8.5)	-	(82.0)
General and administration expenses	(1.0)	-	(137.3)	(1.6)	(6.7)	-	(146.6)
Profit (loss) from operating activities ("EBIT")	(50.8)	-	174.4	2.6	28.2	38.6	193.0
Financial income	5.3	137.4	96.1	-	29.0	(166.8)	101.0
Financial expenses	-	(161.8)	(355.2)	-	(30.7)	166.8	(380.9)
Net financial expenses	5.3	(24.4)	(259.1)	-	(1.7)	-	(279.9)
Profit (loss) before income tax	(45.5)	(24.4)	(84.7)	2.6	26.5	38.6	(86.9)
Income tax benefit (expense)	(1.2)	8.2	37.3	(0.6)	(3.5)	-	40.2
Profit (loss) for the period	(46.7)	(16.2)	(47.4)	2.0	23.0	38.6	(46.7)

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Condensed consolidating statement of financial position

As at March 31, 2011

(In \$ million)	Parent	Reynolds Issuers	Other guarantor entities	SIG Com bibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
Assets							
Cash and cash equivalents	0.7	23.8	1,007.8	10.0	143.2	-	1,185.5
Trade and other receivables	4.8	-	918.5	40.4	156.7	-	1,120.4
Inventories	-	-	1,326.3	44.9	142.9	-	1,514.1
Intra-group receivables	-	236.8	-	-	32.3	(269.1)	-
Other assets	-	-	119.5	0.6	17.0	-	137.1
Total current assets	5.5	260.6	3,372.1	95.9	492.1	(269.1)	3,957.1
Investments in subsidiaries, associates and joint ventures (equity method)	-	-	1,318.1	2.8	115.4	(1,318.3)	118.0
Property, plant and equipment	-	-	2,826.2	111.0	344.2	-	3,281.4
Investment properties	-	-	67.0	-	-	-	67.0
Intangible assets	-	-	8,616.6	183.8	145.4	-	8,945.8
Intra-group receivables	16.6	7,629.3	154.3	-	1,391.7	(9,191.9)	-
Other assets	255.4	94.4	145.4	0.5	20.7	-	516.4
Total non-current assets	272.0	7,723.7	13,127.6	298.1	2,017.4	(10,510.2)	12,928.6
Total assets	277.5	7,984.3	16,499.7	394.0	2,509.5	(10,779.3)	16,885.7
Liabilities							
Trade and other payables	10.0	236.8	986.8	39.2	222.9	-	1,495.7
Borrowings	-	-	29.8	-	1.7	-	31.5
Intra-group payables	-	-	269.1	-	-	(269.1)	-
Other liabilities	1.6	-	348.3	9.7	24.7	-	384.3
Total current liabilities	11.6	236.8	1,634.0	48.9	249.3	(269.1)	1,911.5
Borrowings	-	7,592.5	3,717.5	-	1,237.6	-	12,547.6
Intra-group liabilities	190.2	2.5	9,057.4	-	131.2	(9,381.3)	-
Other liabilities	-	3.5	2,286.6	10.5	28.1	-	2,328.7
Total non-current liabilities	190.2	7,598.5	15,061.5	10.5	1,396.9	(9,381.3)	14,876.3
Total liabilities	201.8	7,835.3	16,695.5	59.4	1,646.2	(9,650.4)	16,787.8
Net assets	75.7	149.0	(195.8)	334.6	863.3	(1,128.9)	97.9
Equity							
Equity attributable to equity holder of the Group	75.7	149.0	(195.8)	334.6	863.3	(1,151.1)	75.7
Minority interests	-	-	-	-	-	22.2	22.2
Total equity	75.7	149.0	(195.8)	334.6	863.3	(1,128.9)	97.9

Reynolds Group Holdings Limited

Notes to interim unaudited condensed financial statements

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Condensed consolidating statement of cash flows

For the period ended March 31, 2011

(In \$ million)	For the period ended March 31, 2011						Consolidated
	Parent	Reynolds Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	
Net cash from operating activities	-	-	129.5	5.0	34.0	-	168.5
Net cash from investing activities	-	(1,970.5)	(85.4)	(3.1)	1.4	1,958.7	(98.9)
Included in investing activities:							
Acquisition of property, plant and equipment and investment properties	-	-	(88.8)	(2.9)	(9.4)	-	(101.1)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets	-	-	2.1	0.1	0.2	-	2.4
Net related party advances (repayments)	-	(1,970.5)	3.3	-	8.5	1,958.7	-
Net cash from financing activities	-	1,970.5	443.4	-	(5.4)	(1,958.7)	449.8
Included in financing activities:							
Acquisition of businesses under common control	-	-	-	-	-	-	-
Draw down of loans and borrowings	-	2,000.0	2,676.2	-	0.2	-	4,676.4
Repayment of loans and borrowings	-	-	(4,168.5)	-	(1.3)	-	(4,169.8)
Net related party borrowings (repayments)	-	-	1,962.0	-	(3.3)	(1,958.7)	-
Payment of transaction costs	-	(29.5)	(26.3)	-	-	-	(55.8)

Reynolds Group Holdings Limited

Notes to interim unaudited condensed financial statements
For the period ended March 31, 2011

Condensed consolidating statement of financial performance

For the three month period ended March 31, 2010

(In \$ million)	For the three month period ended March 31, 2010						Consolidated
	Parent	Reynolds Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	
Revenue	-	-	1,265.3	45.8	181.6	(85.1)	1,407.6
Cost of sales	-	-	(1,061.6)	(39.6)	(144.7)	85.1	(1,160.8)
Gross profit	-	-	203.7	6.2	36.9	-	246.8
Other income, other expenses, and share of equity method earnings, net of income tax	(39.2)	-	47.1	(2.7)	0.5	21.1	26.8
Selling, marketing and distribution expenses	-	-	(40.3)	(0.6)	(7.5)	-	(48.4)
General and administration expenses	-	-	(85.6)	(2.8)	(7.0)	-	(95.4)
Profit (loss) from operating activities	(39.2)	-	124.9	0.1	22.9	21.1	129.8
Financial income	3.4	34.9	11.2	2.4	42.8	(72.8)	21.9
Financial expenses	(0.7)	(36.1)	(158.3)	(0.3)	(30.3)	72.8	(152.9)
Net financial expenses	2.7	(1.2)	(147.1)	2.1	12.5	-	(131.0)
Profit (loss) before income tax	(36.5)	(1.2)	(22.2)	2.2	35.4	21.1	(1.2)
Income tax benefit (expense)	(0.8)	0.1	(27.4)	(0.6)	(7.4)	-	(36.1)
Profit (loss) for the period	(37.3)	(1.1)	(49.6)	1.6	28.0	21.1	(37.3)

Reynolds Group Holdings Limited
Notes to interim unaudited condensed financial statements
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Condensed consolidating statement of financial position

As at December 31, 2010

(In \$ million)	Parent	Reynolds Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	Consolidated
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
Intra-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
Intra-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
Intra-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
Intra-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
Minority interests	-	-	-	-	-	22.9	22.9
Total equity	244.6	130.6	(28.6)	341.6	831.8	(1,252.5)	267.5

Certain items within the comparative information of the condensed consolidating statement of financial position have been reclassified between Other guarantor entities and Adjustments and eliminations.

Reynolds Group Holdings Limited
Notes to interim unaudited condensed financial statements
For the period ended March 31, 2011

Condensed consolidating statement of cash flows

For the period ended March 31, 2010

(In \$ million)	For the period ended March 31, 2010						Consolidated
	Parent	Reynolds Issuers	Other guarantor entities	SIG Combibloc Ltd. (Thailand)	Non-guarantor entities	Adjustments and eliminations	
Net cash from operating activities	-	-	89.5	7.5	(5.6)	-	91.4
Net cash from investing activities	-	-	(17.4)	(4.5)	0.3	(16.0)	(37.6)
Included in investing activities:							
Acquisition of property, plant and equipment and investment properties	-	-	(40.1)	(5.4)	(7.7)	-	(53.2)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets	-	-	6.9	1.0	1.4	-	9.3
Acquisition of businesses, net of cash acquired	-	-	(24.3)	-	-	-	(24.3)
Disposal of businesses, net of cash disposed	-	-	32.4	-	-	-	32.4
Net related party advances (repayments)	-	-	11.2	-	4.1	(16.0)	(0.7)
Net cash from financing activities	-	(11.8)	(17.5)	-	(14.9)	16.0	(28.2)
Included in financing activities:							
Acquisition of businesses under common control	-	-	(4.7)	-	-	-	(4.7)
Draw down of loans and borrowings	-	-	-	-	0.6	-	0.6
Repayment of loans and borrowings	-	-	(8.7)	-	(1.8)	-	(10.5)
Net related party borrowings (repayments)	-	-	(4.1)	-	(11.9)	16.0	-
Payment of transaction costs	-	(11.8)	-	-	-	-	(11.8)

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements

21. Subsequent events

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 certain customary post-closing 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 is in the process of being integrated with 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 March 31, 2011, the Group has continued to integrate the operations of Pactiv with the Reynolds Consumer Products and Pactiv Foodservice segments. Certain restructuring initiatives have recently been announced. These initiatives have resulted in the recognition of \$4.5 million of restructuring expenses subsequent to March 31, 2011. 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 March 31, 2011 which would require accrual or disclosure in these financial statements.