



# Reynolds Group Holdings Limited

Q3 2014 Results

November 5, 2014



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- risks related to the future costs of raw materials, energy and freight;
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- risks related to the impact of a loss of any of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;
- risks related to our dependence on key management and other highly skilled personnel;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to exchange rate fluctuations;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to our pension plans;
- risks related to acquisitions or dispositions, including completed and future acquisitions or dispositions, such as the risks that we may be unable to complete an acquisition or disposition in the timeframe anticipated, on its original terms, or at all, or that we may not be able to achieve some or all of the benefits that we expect to achieve from such acquisitions, including risks related to integration of our acquired businesses, or that a disposition may have an unanticipated affect on our retained businesses;
- risks related to our hedging activities which may result in significant losses and in period-to-period earnings volatility;
- risks related to our suppliers of raw materials and any interruption in our supply of raw materials;
- risks related to our substantial indebtedness and our ability to service our current and future indebtedness;
- risks related to increases in interest rates which would increase the cost of servicing our debt;
- risks related to restrictive covenants in certain of our outstanding notes and other indebtedness which could adversely affect our business by limiting our operating and strategic flexibility; and
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# Disclaimer

## **Explanatory Note on Non-GAAP Financial Measures**

In this presentation, we utilize certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA, that in each case are not recognized under IFRS or U.S. GAAP. These measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company's operating performance and financing structure. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS, U.S. GAAP or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in the financial statements included in this presentation.

EBITDA, a measure used by our management to measure operating performance, is defined as profit (loss) from continuing operations plus income tax, net financial expenses, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a measure of our financial condition, liquidity or profitability and should not be considered as a substitute for profit (loss) for the year, operating profit or any other performance measures derived in accordance with IFRS or as a substitute for cash flow from operating activities as a measure of our liquidity in accordance with IFRS.

Adjusted EBITDA is calculated as EBITDA adjusted for particular items relevant to explaining operating performance. These adjustments include significant items of an unusual nature that cannot be attributed to ordinary business operations, including items such as non-cash pension income or expense, restructuring and redundancy costs and gains and losses in relation to the valuation of derivatives. Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA as adjusted to provide the full-period effect of implemented cost savings programs, divestments, acquisition synergies and business acquisitions to the extent not reflected in Adjusted EBITDA. Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Pro Forma Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual.

Additionally, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not intended to be a measure of free cash flow for management's discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments and capital expenditures. We believe that the inclusion of EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA in this presentation is appropriate to provide additional information to investors about our operating performance to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Because not all companies calculate EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA identically, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures in other companies.

# Presenters Overview

<b>Tom Degnan</b>	<b>Chief Executive Officer</b>
<b>Allen Hugli</b>	<b>Chief Financial Officer</b>
<b>Rolf Stangl</b>	<b>SIG</b>
<b>John Rooney</b>	<b>Evergreen</b>
<b>Marshall White</b>	<b>Closures</b>
<b>Lance Mitchell</b>	<b>Reynolds Consumer Products</b>
<b>John McGrath</b>	<b>Pactiv Foodservice</b>
<b>Malcolm Bunday</b>	<b>Graham Packaging</b>



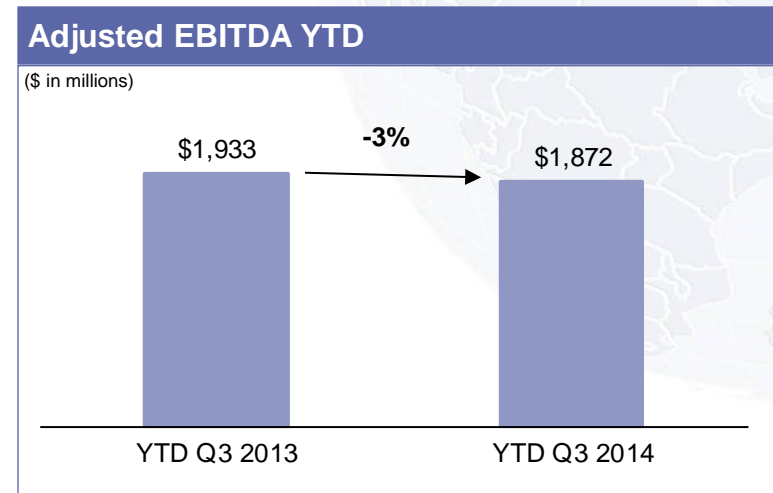
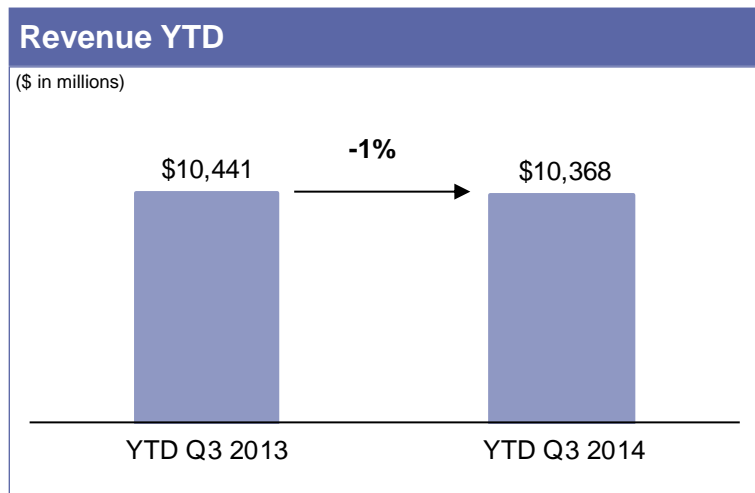
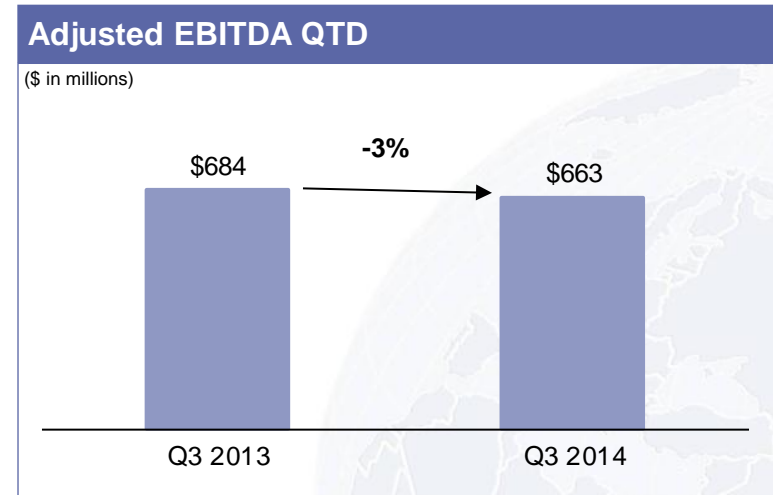
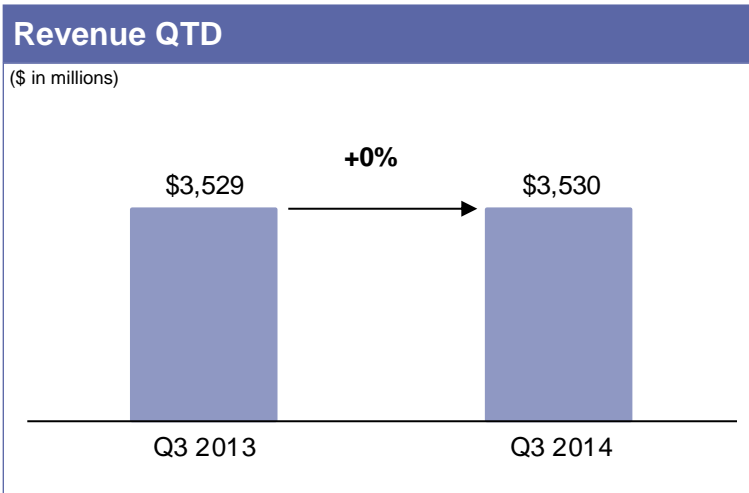


# Reynolds Group Holdings Limited

Tom Degnan



# Reynolds Group Revenue and Adjusted EBITDA



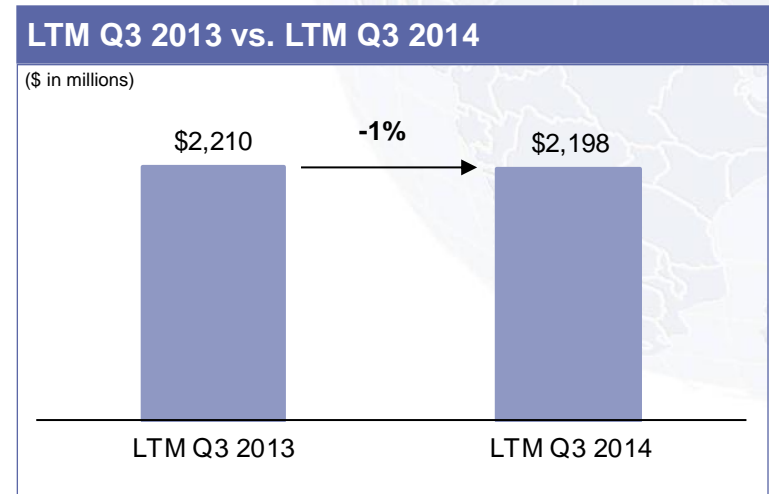
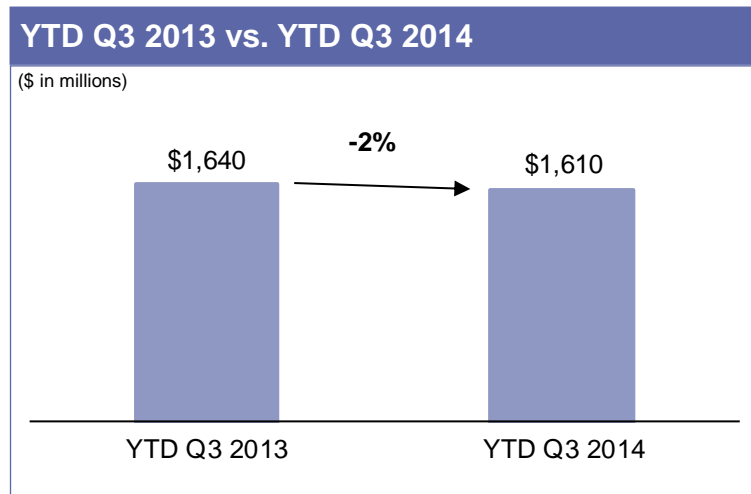
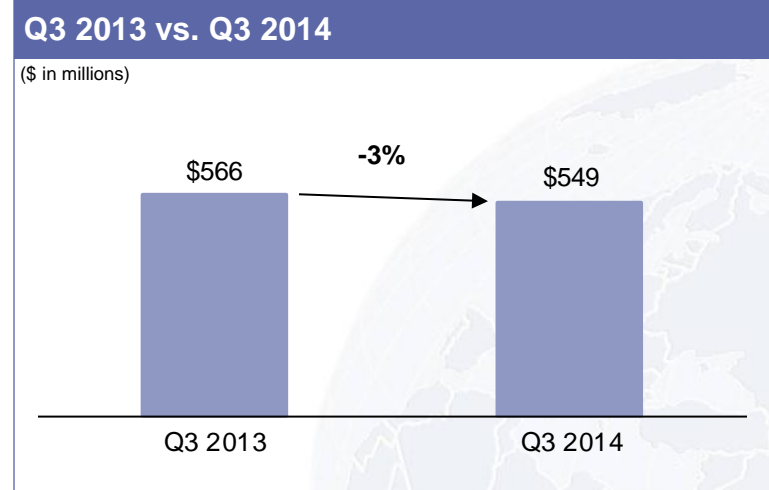
**SIG**

Rolf Stangl



# SIG Revenue

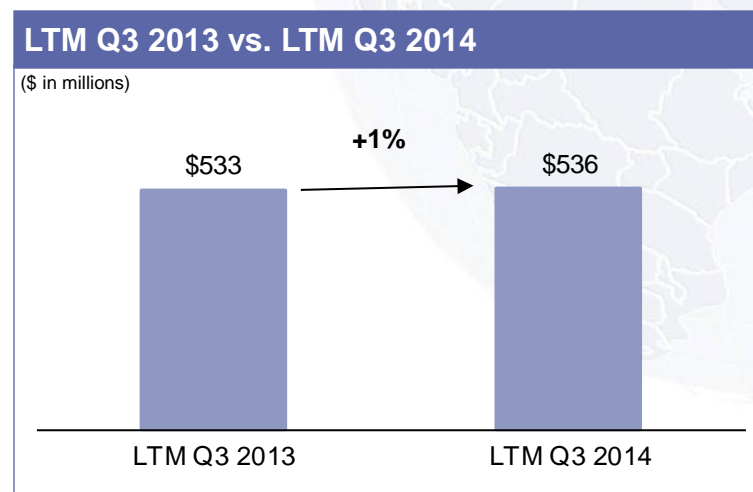
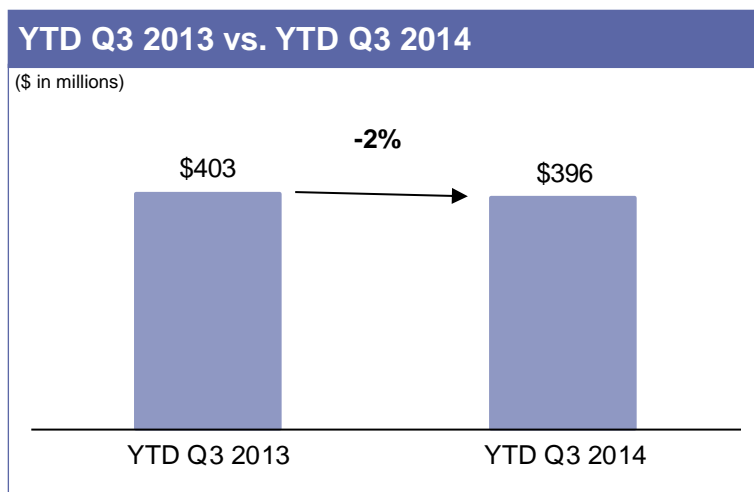
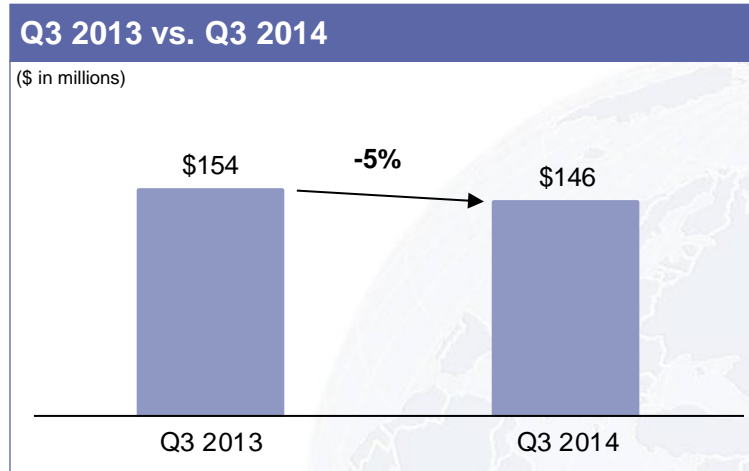
- Revenue decreased by 3% to \$549 million in Q3 2014
- Primarily driven by:
  - Lower sales volume in Europe
  - Lower sales volume in the Middle East due to political instability and lower sales volume in Asia Pacific, particularly due to lower demand in China driven by raw milk shortages
  - Partially offset by strong growth in the Americas, particularly South America
- LTM revenue decreased by 1% to \$2,198 million





# SIG Adjusted EBITDA

- Adjusted EBITDA decreased by 5% to \$146 million in Q3 2014
- Decrease primarily driven by:
  - Lower revenue contribution
  - Lower cash dividends from joint ventures
  - Higher raw material prices
  - Partially offset by savings achieved from restructuring programs
- LTM Adjusted EBITDA increased by 1% to \$536 million



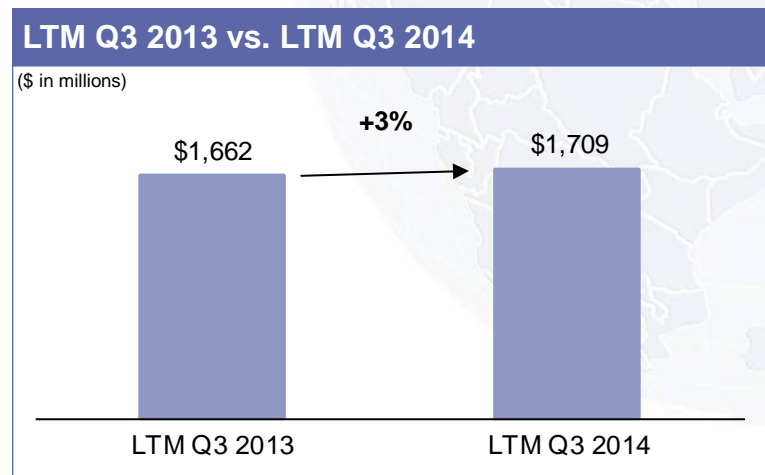
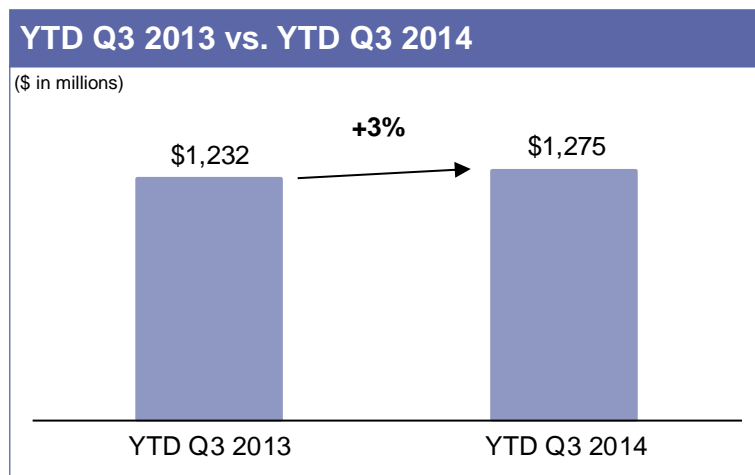
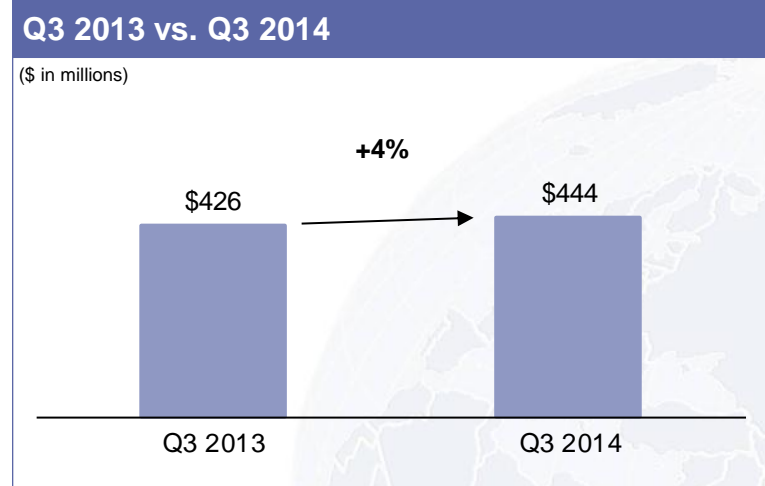
# Evergreen

John Rooney



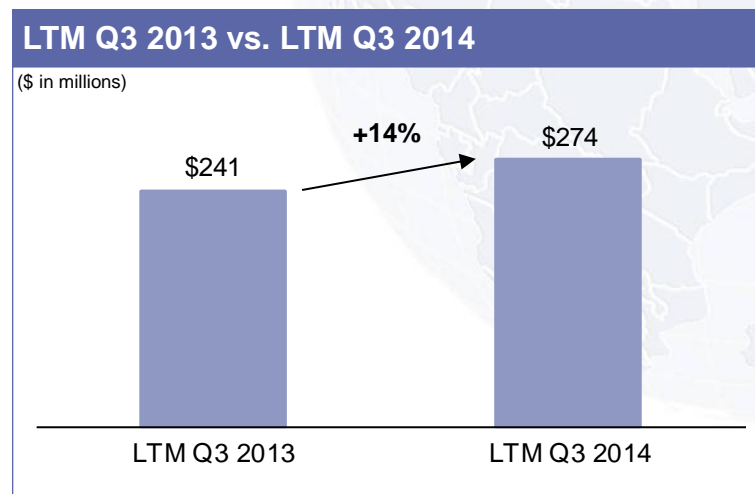
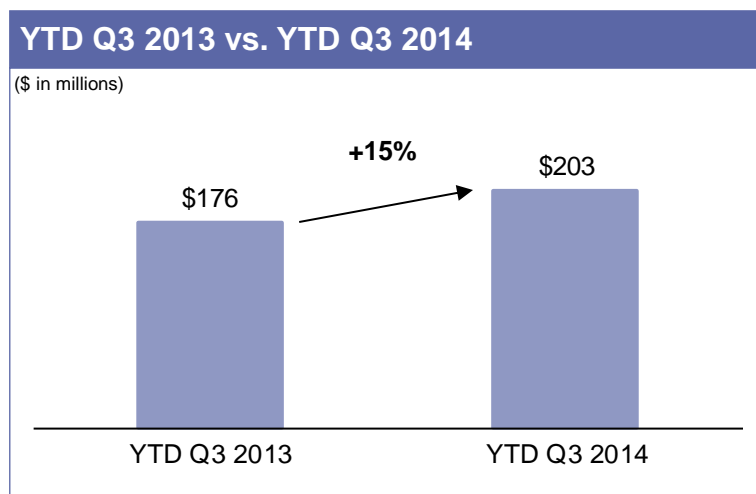
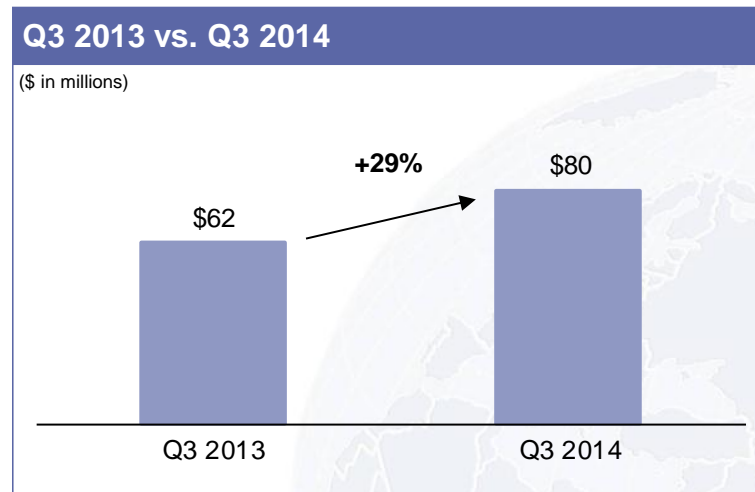
# Evergreen Revenue

- Revenue increased by 4% to \$444 million in Q3 2014
- Increase primarily driven by:
  - Price and mix improvements for carton packaging, liquid packaging board and paper products
  - Higher sales volume for liquid packaging board and paper products, partially offset by lower sales volume for carton packaging
- LTM revenue increased by 3% to \$1,709 million



# Evergreen Adjusted EBITDA

- Adjusted EBITDA increased by 29% to \$80 million in Q3 2014
- Increase primarily driven by:
  - Lower production costs, partially offset by higher input costs
  - Price and mix improvements for carton packaging, liquid packaging board and paper products
- LTM Adjusted EBITDA increased by 14% to \$274 million



# Closures

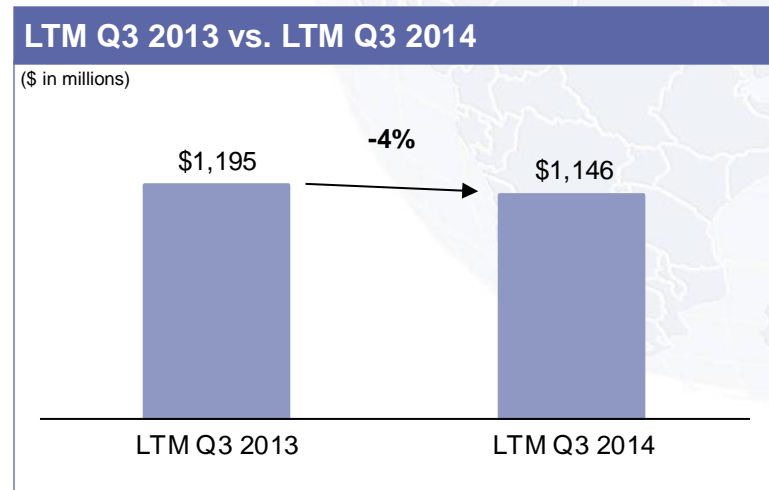
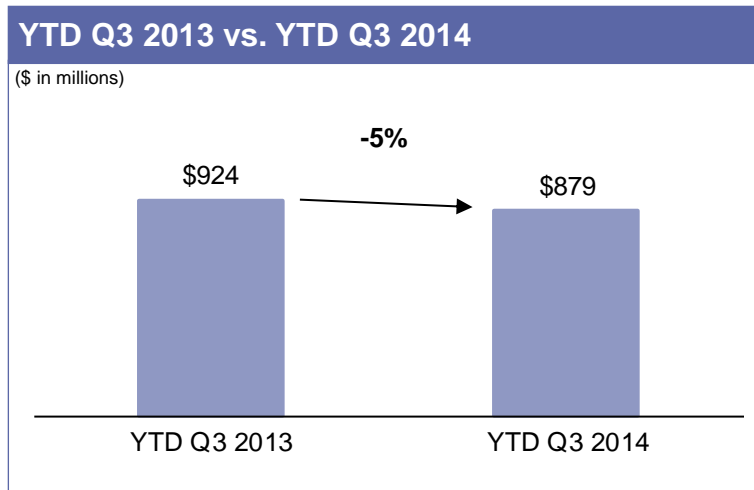
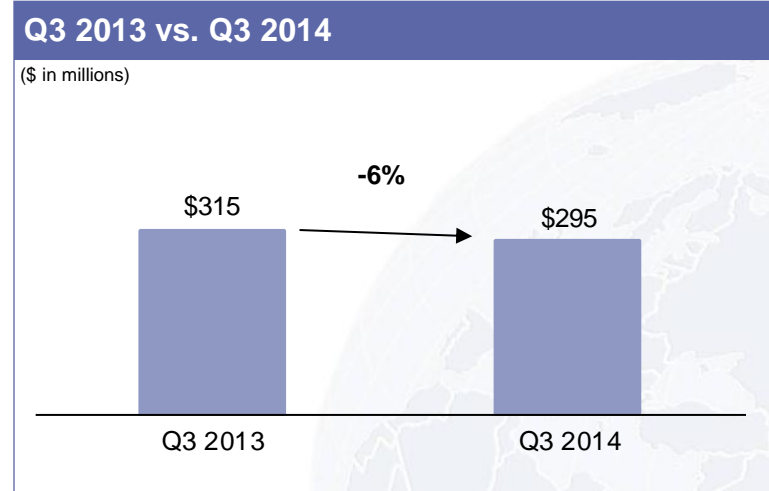
Marshall White





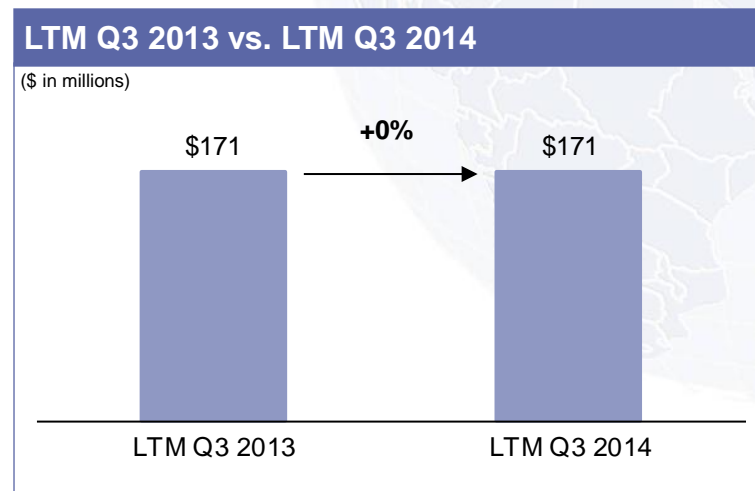
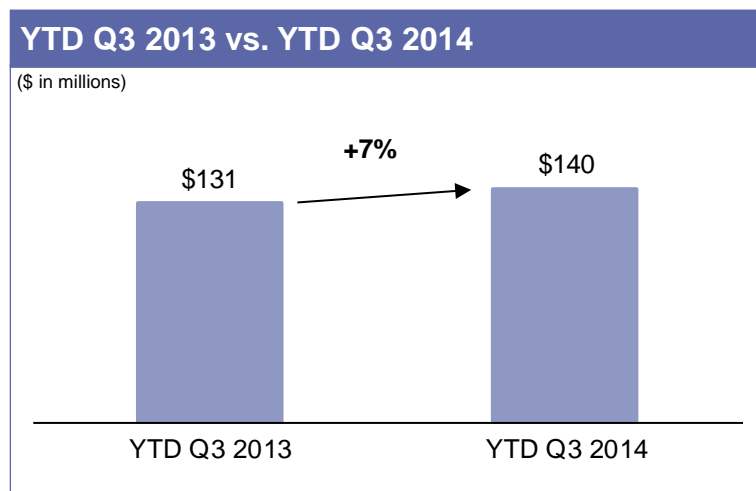
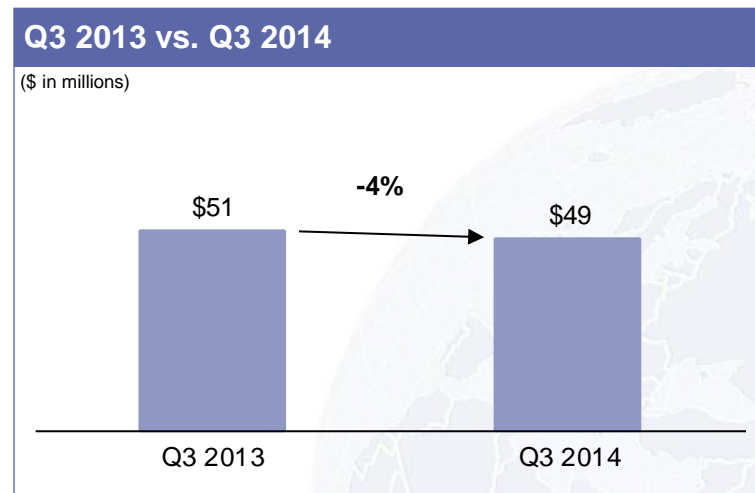
# Closures Revenue

- Revenue decreased by 6% to \$295 million in Q3 2014
- Decrease primarily driven by:
  - Lower sales volume in Europe due to the sale of the aluminum closures business in Germany in Q1 2014 and lower sales volume in South America
  - Unfavorable foreign currency impact due to the net strengthening of the dollar
  - Partially offset by favorable pricing due to resin pass through and lower claims
- LTM revenue decreased by 4% to \$1,146 million



# Closures Adjusted EBITDA

- Adjusted EBITDA decreased by 4% to \$49 million in Q3 2014
- Decrease primarily driven by:
  - Lower sales volume
  - Higher material costs
  - Partially offset by lower manufacturing expense driven by previously implemented restructuring initiatives and lower SG&A expense
- LTM Adjusted EBITDA remained flat at \$171 million





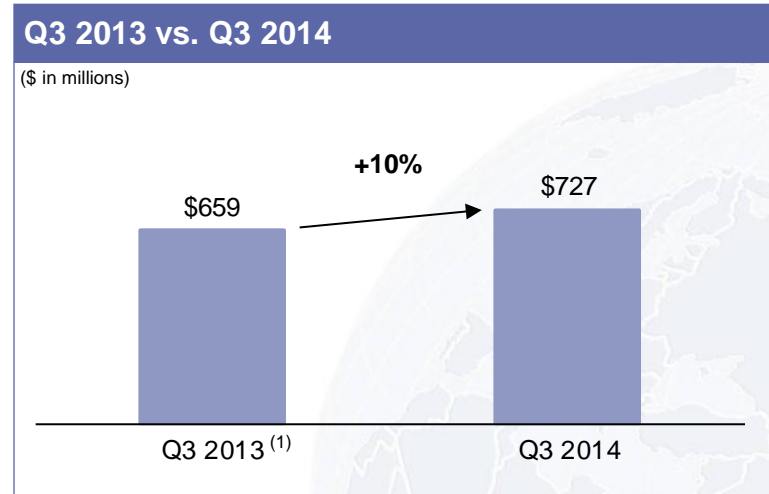
# Reynolds Consumer Products

Lance Mitchell

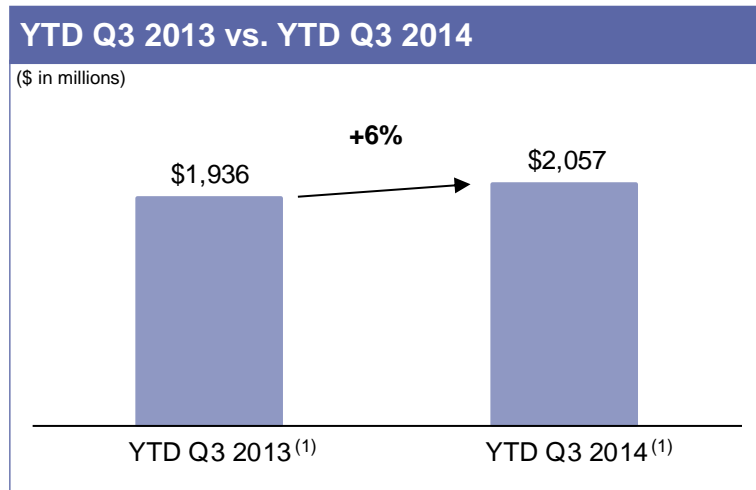


# Reynolds Consumer Products Revenue

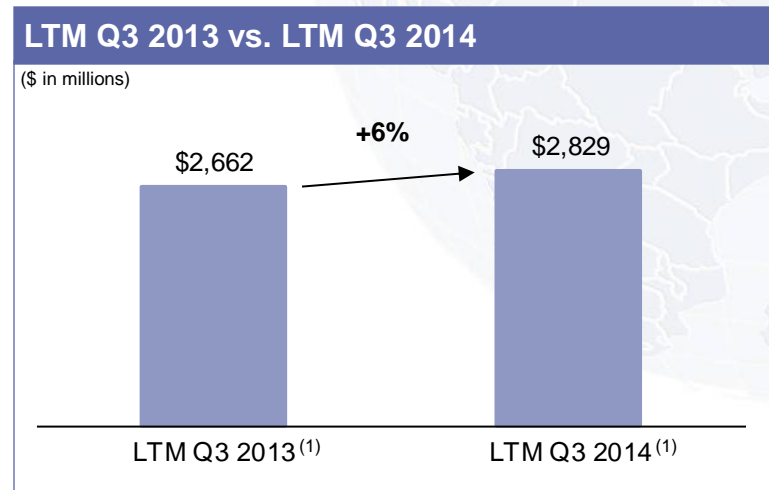
- Revenue increased by 10% to \$727 million in Q3 2014
- Increase primarily driven by:
  - Additional sales volume from small business acquisitions in November 2013 and July 2014
  - Incremental pricing actions taken in Q3 2014
  - Partially offset by lower sales volume in the tableware category
- LTM revenue increased by 6% to \$2,829 million



(1) Revised to conform with current year period inter-segment pricing presentation.



(1) Revised to conform with current year period inter-segment pricing presentation.

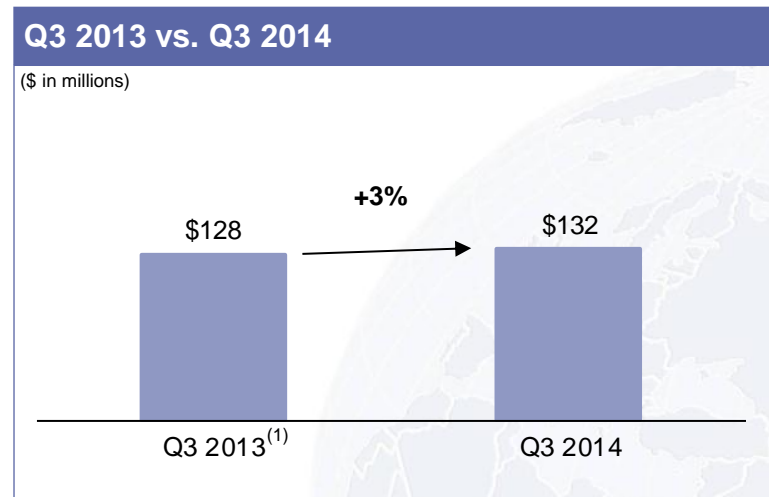


(1) Revised to conform with current year period inter-segment pricing presentation.

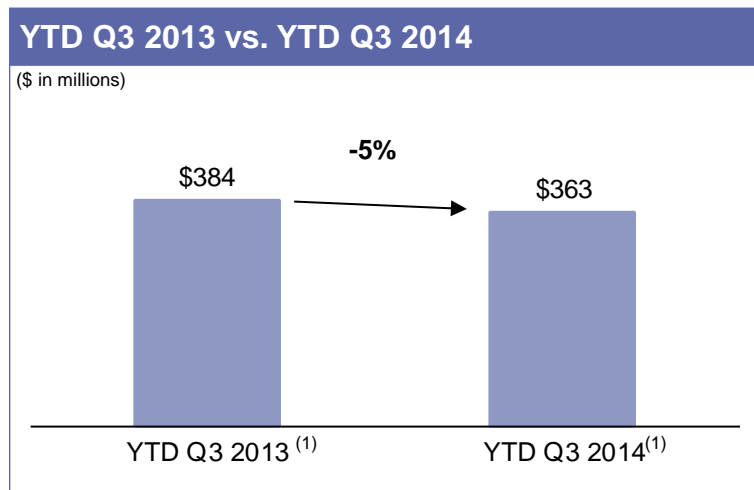
# Reynolds Consumer Products Adjusted EBITDA



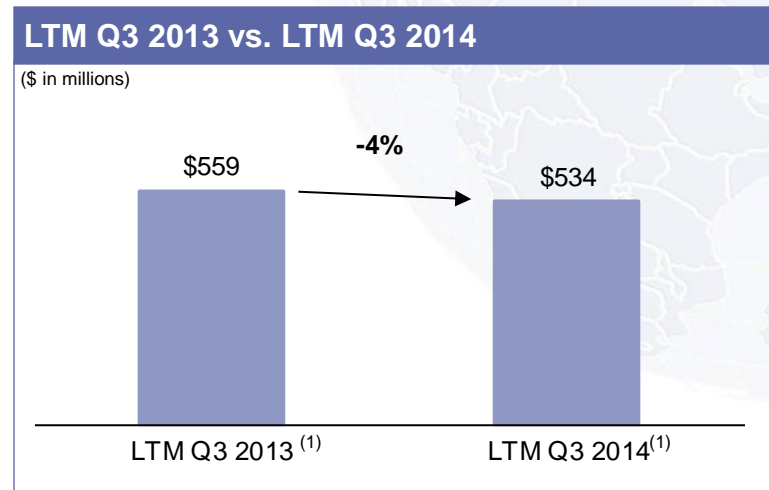
- Adjusted EBITDA increased by 3% to \$132 million in Q3 2014
- Increase primarily driven by:
  - Higher revenue
  - Partially offset by higher material costs driven primarily by resin
- LTM Adjusted EBITDA decreased by 4% to \$534 million



(1) Revised to conform with current year period inter-segment pricing presentation.



(1) Revised to conform with current year period inter-segment pricing presentation.



(1) Revised to conform with current year period inter-segment pricing presentation.



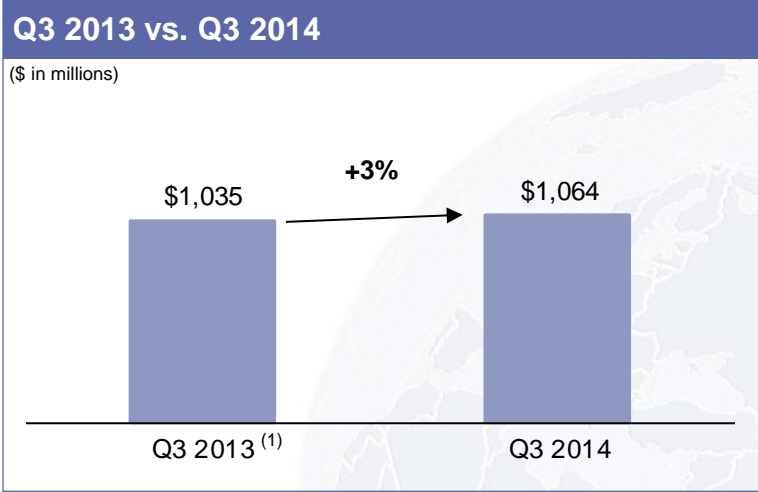
# Pactiv Foodservice

John McGrath

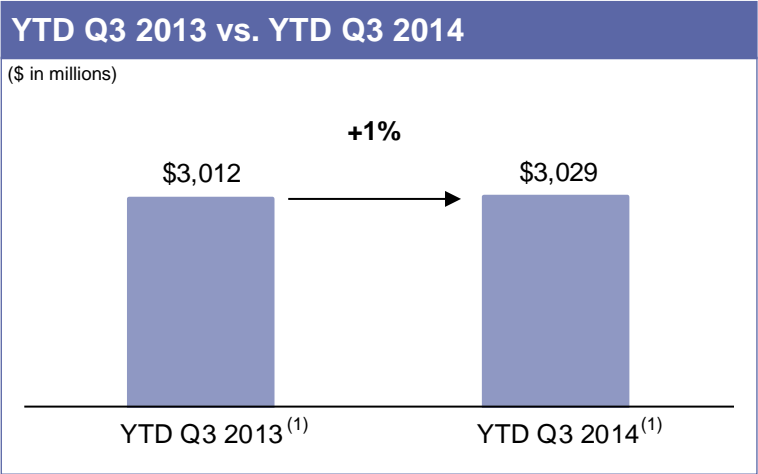


# Pactiv Foodservice Revenue

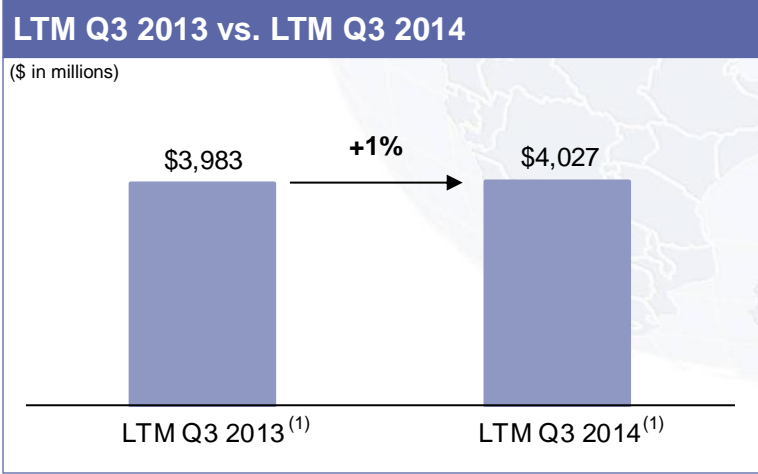
- Total segment revenue increased by 3% to \$1,064 million in Q3 2014
- External revenue increased by 5% to \$923 million in Q3 2014
- Increase primarily driven by
  - Sales volume growth primarily in cups product category as a result of new business
  - Additional sales volume arising from Reynolds Consumer Products' small business acquisition in July 2014
  - Favorable product mix and pricing due to the timing of pass-through of raw material costs
- LTM total segment revenue increased by 1% to \$4,027 million



(1) Revised to conform with current year period inter-segment pricing presentation.



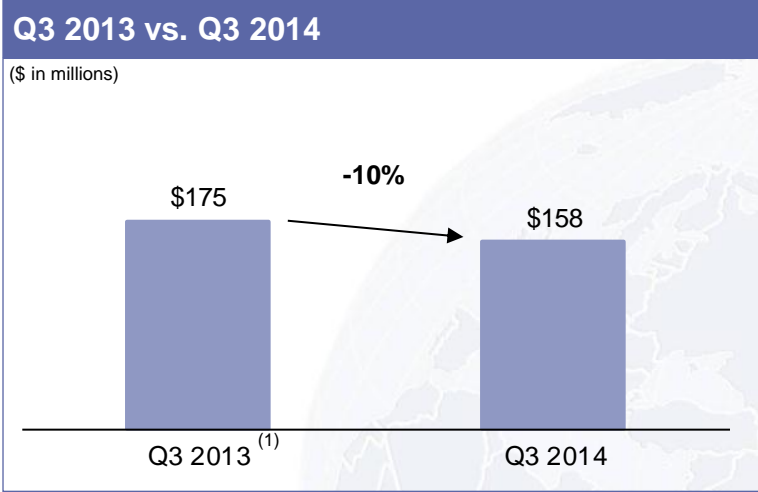
(1) Revised to conform with current year period inter-segment pricing presentation.



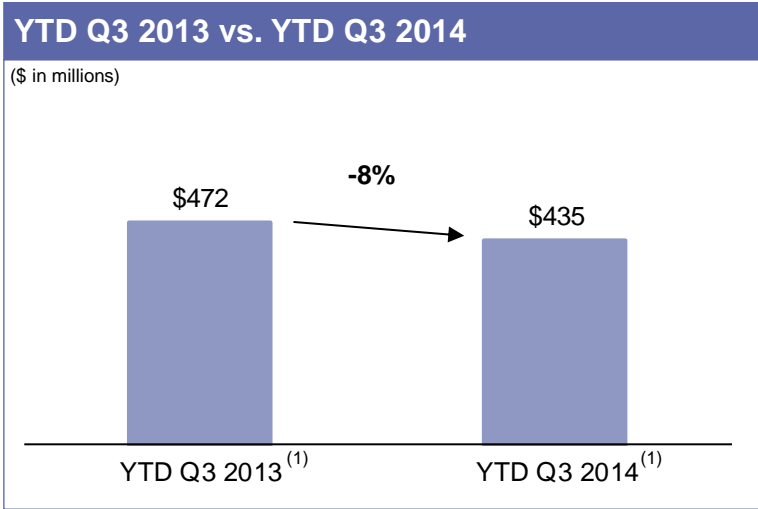
(1) Revised to conform with current year period inter-segment pricing presentation.

# Pactiv Foodservice Adjusted EBITDA

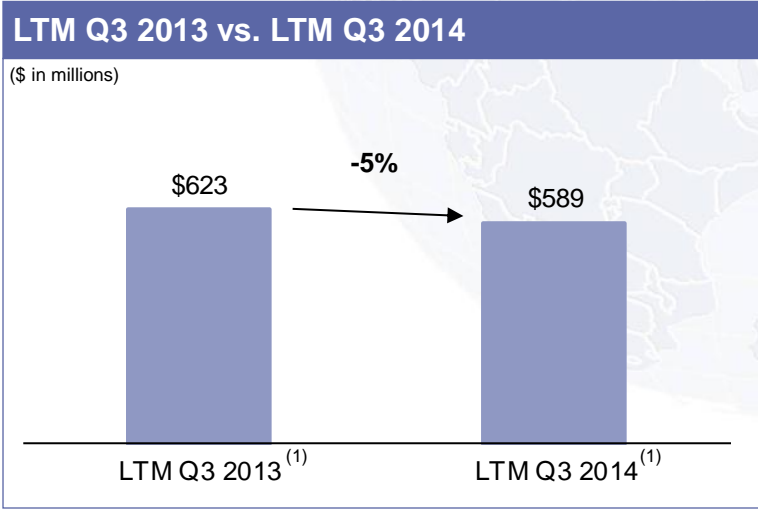
- Adjusted EBITDA decreased by 10% to \$158 million in Q3 2014
- Decrease primarily driven by:
  - Higher raw material costs and the associated lag effect of recovering
  - Partially offset by reduction in SG&A expense due to lower employee-related costs
- LTM Adjusted EBITDA decreased by 5% to \$589 million



(1) Revised to conform with current year period inter-segment pricing presentation.



(1) Revised to conform with current year period inter-segment pricing presentation.



(1) Revised to conform with current year period inter-segment pricing presentation.

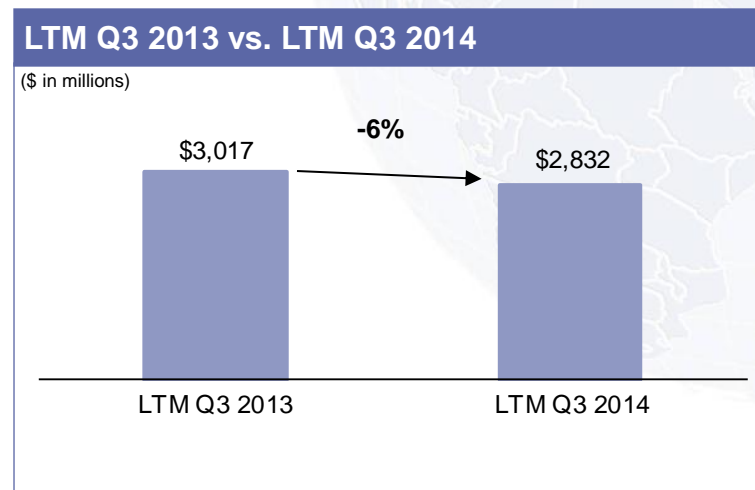
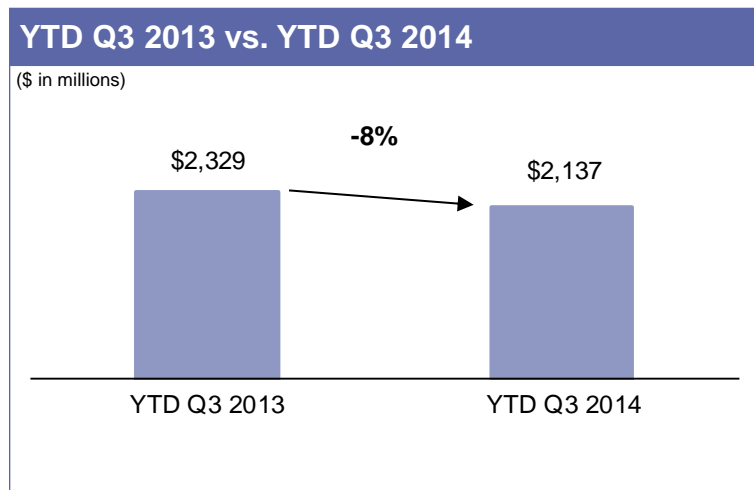
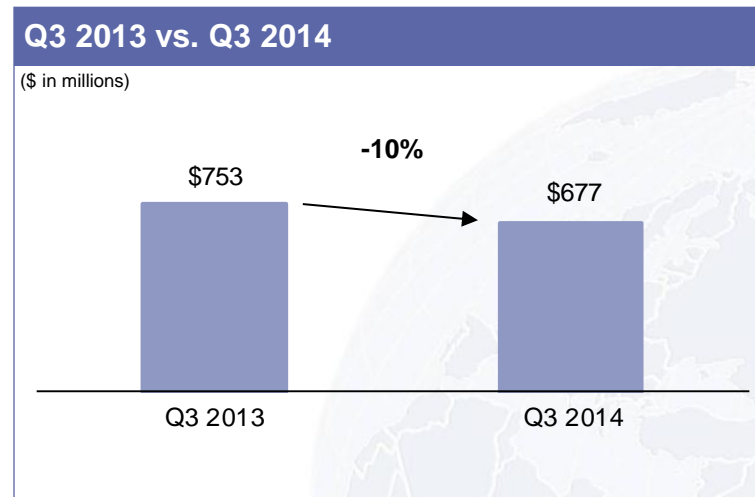
# Graham Packaging

Malcolm Bunday



# Graham Packaging Revenue

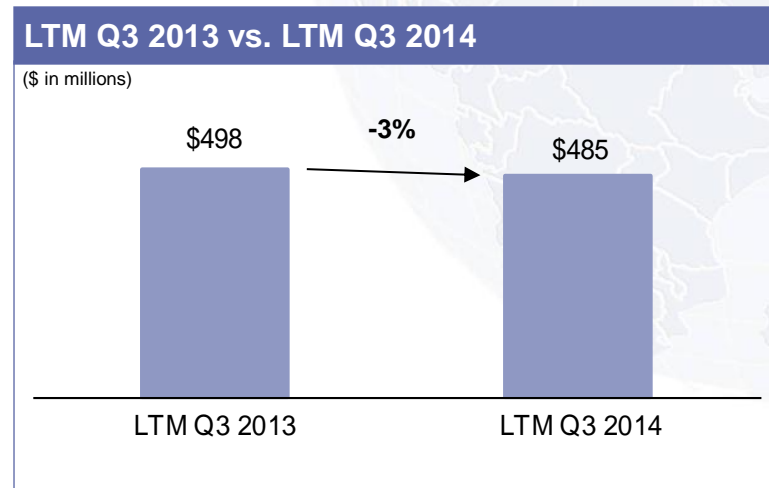
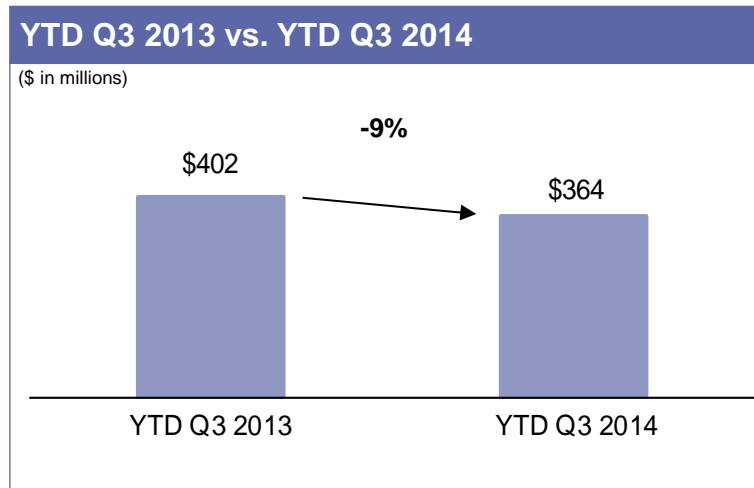
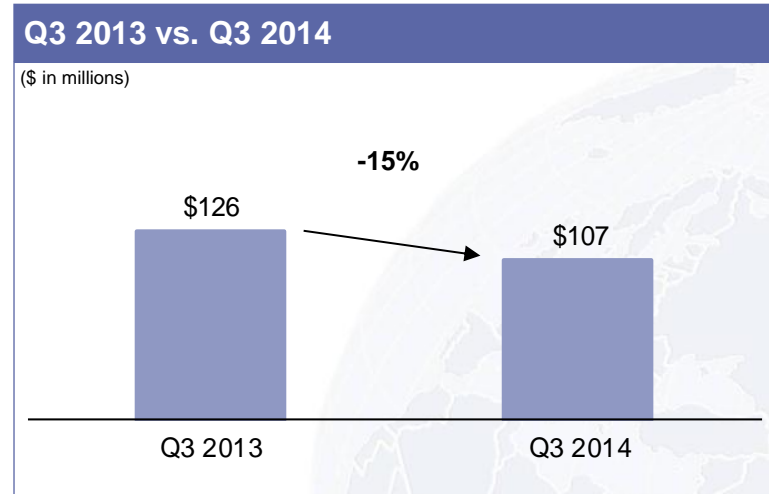
- Revenue decreased by 10% to \$677 million in Q3 2014
- Decrease primarily driven by:
  - Lower sales volume
  - Unfavorable foreign currency impact
- LTM revenue decreased by 6% to \$2,832 million





# Graham Packaging Adjusted EBITDA

- Adjusted EBITDA decreased by 15% to \$107 million in Q3 2014
- Decrease primarily driven by:
  - Lower sales volume
  - Partially offset by improved operational performance and decreased personnel-related costs
- LTM Adjusted EBITDA decreased by 3% to \$485 million



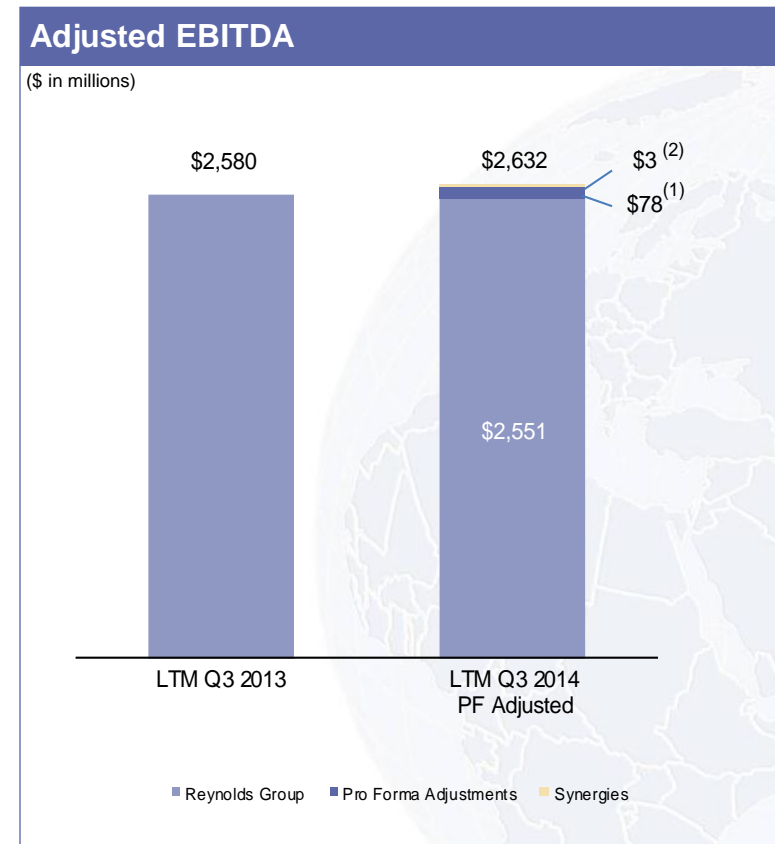
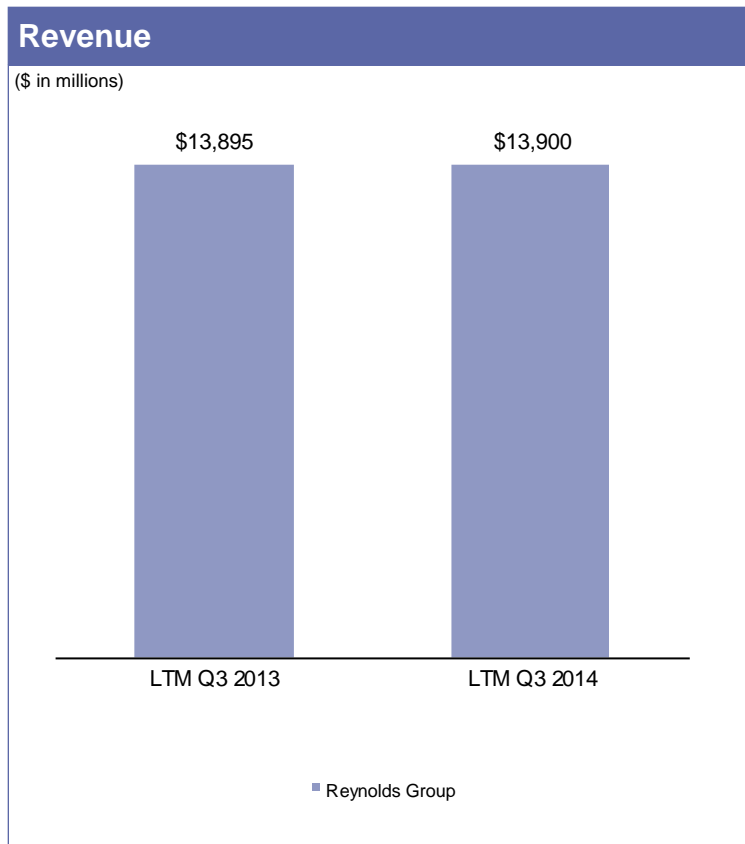


# Reynolds Group Financial Overview

Allen Hugli



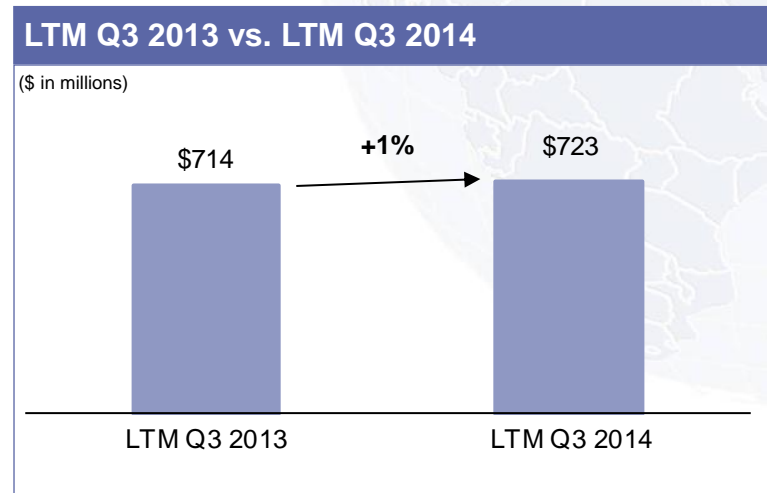
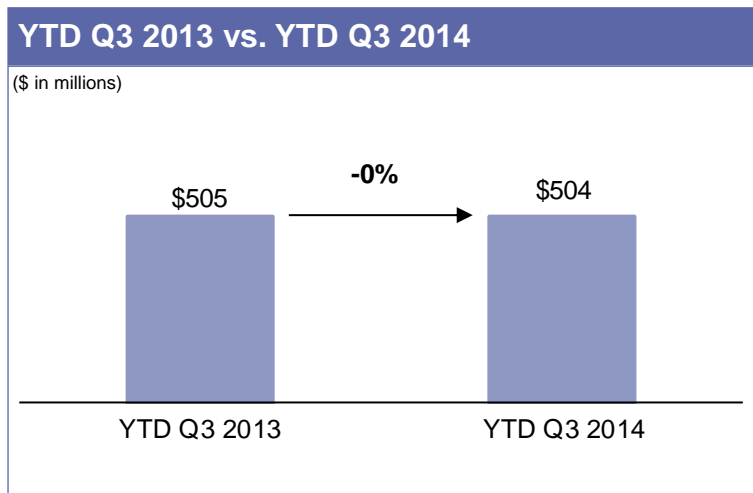
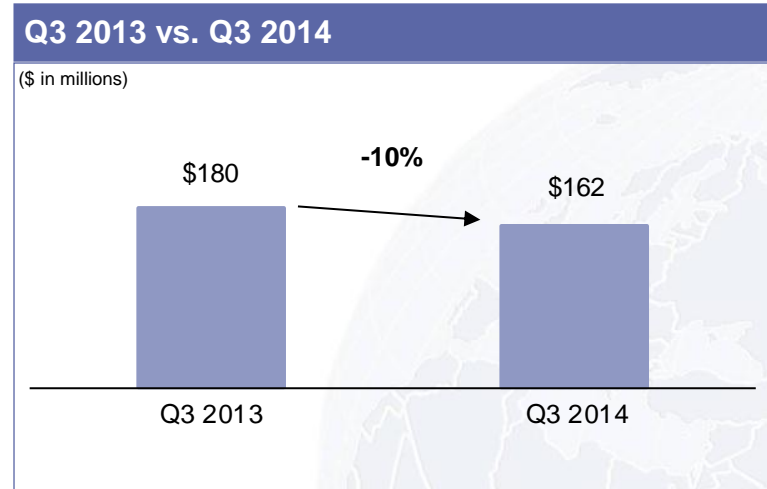
# Reynolds Group Revenue and Adjusted EBITDA



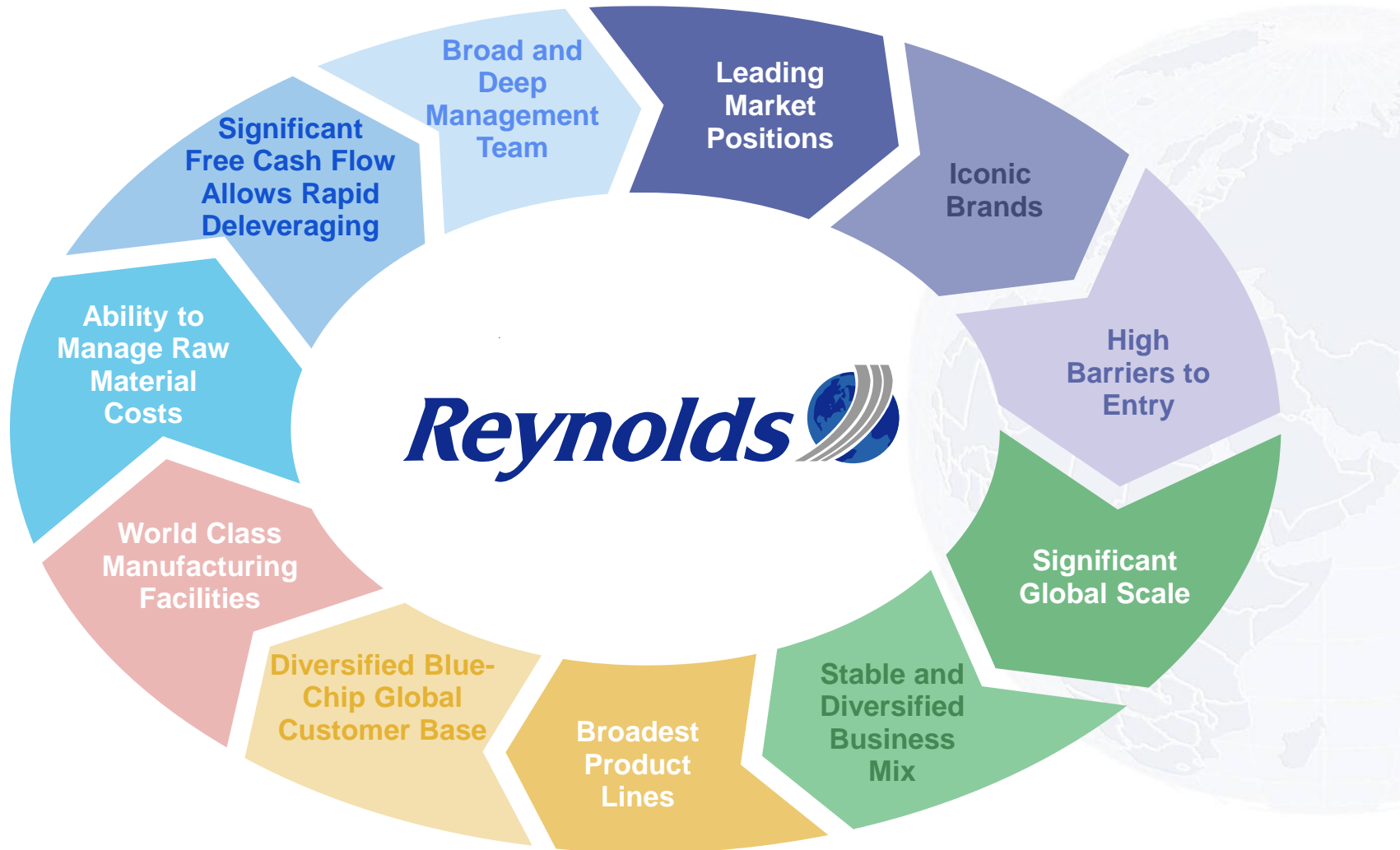
- (1) Annualization impact of cost savings programs, acquisition of Trans Western Polymers and Novelis Foil Products North America and full period effect of the divestitures of Picks and Stirrers and the CSI aluminum closures business in Germany.
- (2) Full period estimated impact of Trans Western Polymers acquisition synergies.

# Reynolds Group Capital Expenditures

- Capital expenditures decreased from \$180 million to \$162 million in Q3 2014
- Decrease primarily driven by lower spend at Pactiv Foodservice as expansion of capacity to support new business and to replace capacity lost due to a plant fire and Hurricane Sandy is completed



# Key Investment Highlights



# Appendix





# Capitalization Summary

(\$ in millions)

	Pro Forma 9/30/14	Net Multiple of EBITDA
Cash <sup>(1)</sup>	\$1,501	
Senior Secured Term Loans	\$2,570	
Senior Secured Notes	7,250	
Securitization Facility <sup>(2)</sup>	425	
Other Secured Debt <sup>(3)</sup>	38	
<b>Total Secured Debt</b>	<b>\$10,283</b>	<b>3.3x</b>
Senior Unsecured Notes	6,400	
<b>Total Senior Guaranteed Debt</b>	<b>\$16,683</b>	<b>5.8x</b>
Pactiv Unsecured Notes	792	
<b>Total Senior Debt</b>	<b>\$17,475</b>	<b>6.1x</b>
Senior Subordinated Notes	590	
Other Debt <sup>(4)</sup>	1	
<b>Total Debt<sup>(5)</sup></b>	<b>\$18,066</b>	<b>6.3x</b>
<b>Pro Forma Adjusted EBITDA<sup>(6)</sup></b>	<b>\$2,632</b>	

(1) Cash net of overdrafts.

(2) Securitization Facility is excluded from Total Secured Debt for the purpose of the calculation of the Senior Secured First Lien Leverage Ratio and the Total Leverage Ratio.

(3) Primarily consists of local working capital facilities and finance leases.

(4) Related party borrowings.

(5) Excludes derivative liabilities of \$26 million.

(6) Adjusted for full period effect of implemented cost savings programs, divestitures, acquisition synergies and business acquisitions to the extent not reflected in Adjusted EBITDA.

# Pro Forma Adjusted EBITDA

(\$ in millions)

	Pro Forma LTM 9/30/14
<b>Reynolds Group EBITDA</b>	<b>\$2,265</b>
Restructuring costs, net of reversals	89
Asset impairment charges	41
Equity method profit, net of cash distributed	3
Gain on sale of businesses and properties	(14)
Hurricane Sandy plant damage, net of insurance recoveries	(19)
Manufacturing plant fire, net of insurance recoveries	(12)
Litigation settlement	(18)
Non-cash changes in inventory and provisions	(11)
Non-cash pension expense	37
Operational process engineering-related consultancy costs	21
Related party management fee	77
Multi-employer pension plan withdrawal	68
Strategic review costs	11
Unrealized gain on derivatives	3
Other	10
<b>Reynolds Group Adjusted EBITDA</b>	<b>\$2,551</b>
Annualization of cost savings programs	73
Full period estimated effect of acquisitions and divestitures	5
Full period estimated effect of acquisition related synergies	3
<b>Reynolds Group Pro Forma Adjusted EBITDA</b>	<b>\$2,632</b>

Note: Assumes Trans Western Polymers and Novelis Foil Products North America were part of Reynolds Group as of September 30, 2013 and includes full period effect of Trans Western Polymers acquisition related synergies and full period effect of the divestitures of Picks and Stirrers and the CSI aluminum closures business in Germany.