BRPP LLC
Form F-4/A
April 06, 2012

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As filed with the Securities and Exchange Commission on April 6, 2012

Registration No. 333-177693

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 5
to
Form F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Reynolds Group Holdings Limited

New Zealand	**2673**	**Not applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Reynolds Group Issuer Inc.

Delaware	**2673**	**27-1086981**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Reynolds Group Issuer LLC

Delaware	**2673**	**27-1087026**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Reynolds Group Issuer (Luxembourg) S.A.

Luxembourg	**2673**	**Not applicable**

(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

(See table of additional registrants on following page.)

Reynolds Group Holdings Limited
Level Nine
148 Quay Street
Auckland 1010 New Zealand
Attention: Joseph Doyle
+64 (9) 366-6259
(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

Reynolds Group Issuer Inc.
c/o National Registered Agents, Inc.
160 Greentree Drive, Suite 101,
Dover, Delaware 19904
(804) 281-2630
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Steven J. Slutzky, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(212) 909-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, or the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer o

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Aggregate Offering Price per Note(1)	Amount of Registration Fee
7.750% Senior Secured Notes due 2016	$1,125,000,000	$1,125,000,000	$128,925.00(5)
7.750% Senior Secured Notes due 2016	450,000,000	450,000,000	$73,043.75(2)(5)
8.500% Senior Notes due 2018	$1,000,000,000	$1,000,000,000	$114,600.00(5)
7.125% Senior Secured Notes due 2019	$1,500,000,000	$1,500,000,000	$171,900.00(5)
9.000% Senior Notes due 2019	$1,500,000,000	$1,500,000,000	$171,900.00(5)
7.875% Senior Secured Notes due 2019	$1,500,000,000	$1,500,000,000	$171,900.00(5)
9.875% Senior Notes due 2019 (originally issued on August 9, 2011)	$1,000,000,000	$1,000,000,000	$114,600.00(5)
9.875% Senior Notes due 2019 (originally issued on February 15, 2012)	$1,250,000,000	$1,250,000,000	$143,250.00
6.875% Senior Secured Notes due 2021	$1,000,000,000	$1,000,000,000	$114,600.00(5)
8.250% Senior Notes due 2021	$1,000,000,000	$1,000,000,000	$114,600.00(5)
Guarantees of 7.750% Senior Secured Notes due 2016(3)	$1,125,000,000		None(4)
Guarantees of 7.750% Senior Secured Notes due 2016(3)	450,000,000		None(4)
Guarantees of 8.500% Senior Notes due 2018(3)	$1,000,000,000		None(4)
Guarantees of 7.125% Senior Secured Notes due 2019	$1,500,000,000		None(4)
Guarantees of 9.000% Senior Notes due 2019	$1,500,000,000		None(4)
Guarantees of 7.875% Senior Secured Notes due 2019	$1,500,000,000		None(4)
Guarantees of 9.875% Senior Notes due 2019 (originally issued on August 9, 2011)	$1,000,000,000		None(4)
Guarantees of 9.875% Senior Notes due 2019 (originally issued on February 15, 2012)	$1,250,000,000		None(4)
Guarantees of 6.875% Senior Secured Notes due 2021	$1,000,000,000		None(4)
Guarantees of 8.250% Senior Notes due 2021	$1,000,000,000		None(4)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933.

(2) The amount of the registration fee was calculated based on the noon buying rate on October 28, 2011 of 1 = $1.4164.

(3) See the following page for a table of guarantor registrants.

(4) Pursuant to Rule 457(n) promulgated under the Securities Act of 1933, no separate filing fee is required for the guarantors.

(5) Previously paid.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Additional Registrant as Specified in its Charter*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
Whakatane Mill Australia Pty Limited	Australia	Not Applicable
SIG Austria Holding GmbH	Austria	Not Applicable
SIG Combibloc GmbH	Austria	Not Applicable
SIG Combibloc GmbH & Co KG	Austria	Not Applicable
Closure Systems International (Brazil) Sistemas de Vedação Ltda.	Brazil	Not Applicable
SIG Beverages Brasil Ltda.	Brazil	Not Applicable
SIG Combibloc do Brasil Ltda.	Brazil	Not Applicable
CSI Latin American Holdings Corporation	The British Virgin Islands	Not Applicable
Graham Packaging PX Company	California	95-3571918
Graham Packaging PX, LLC	California	95-3585385
Evergreen Packaging Canada Limited	Canada	Not Applicable
Pactiv Canada Inc.	Canada	Not Applicable
CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada	Costa Rica	Not Applicable
Baker s Choice Products, Inc.	Delaware	54-1440852
BCP/Graham Holdings L.L.C.	Delaware	52-2076130
Blue Ridge Holding Corp.	Delaware	13-4058526
Blue Ridge Paper Products Inc.	Delaware	56-2136509
Closure Systems International Americas, Inc.	Delaware	13-4307216
Closure Systems International Holdings Inc.	Delaware	77-0710458
Closure Systems International Inc.	Delaware	25-1564055
Closure Systems International Packaging Machinery Inc.	Delaware	25-1533420
Closure Systems Mexico Holdings LLC	Delaware	74-3242904
CSI Mexico LLC	Delaware	74-3242901
CSI Sales & Technical Services Inc.	Delaware	77-0710454
Evergreen Packaging Inc.	Delaware	20-8042663
Evergreen Packaging USA Inc.	Delaware	76-0240781
Evergreen Packaging International (US) Inc.	Delaware	33-0429774
GPACSUB LLC	Delaware	26-1127569
GPC Capital Corp. I	Delaware	23-295240
GPC Capital Corp. II	Delaware	23-2952404
GPC Opco GP, LLC	Delaware	23-2952405
GPC Sub GP LLC	Delaware	23-2952400
Graham Packaging Acquisition Corp.	Delaware	75-3168236
Graham Packaging Company Inc.	Delaware	52-2076126
Graham Packaging Company, L.P.	Delaware	23-2786688
Graham Packaging LC, L.P.	Delaware	36-3735725
Graham Packaging LP Acquisition LLC	Delaware	27-3420362
Graham Packaging PET Technologies Inc.	Delaware	06-1088896
Graham Packaging Plastic Products Inc.	Delaware	95-2097550

Graham Packaging PX Holding Corporation	Delaware	59-1748223
Graham Packaging Regioplast STS Inc.	Delaware	34-1743397
Graham Packaging GP Acquisition LLC	Delaware	27-3420526

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Exact Name of Additional Registrant as Specified in its Charter*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
GPC Holdings LLC	Delaware	45-2814255
Pactiv Factoring LLC	Delaware	36-4402363
Pactiv Germany Holdings, Inc.	Delaware	36-4423878
Pactiv International Holdings Inc.	Delaware	76-0531623
Pactiv LLC	Delaware	36-2552989
Pactiv Management Company LLC	Delaware	36-2552989
Pactiv Retirement Administration LLC	Delaware	32-0286913
Pactiv RSA LLC	Delaware	36-4402361
PCA West Inc.	Delaware	76-0254972
Prairie Packaging, Inc.	Delaware	36-3461752
PWP Holdings, Inc.	Delaware	74-3183918
PWP Industries, Inc.	Delaware	74-3183917
RenPac Holdings Inc.	Delaware	45-3464426
Reynolds Consumer Products Holdings LLC	Delaware	77-0710450
Reynolds Consumer Products Inc.	Delaware	77-0710443
Reynolds Flexible Packaging Inc.	Delaware	77-0710437
Reynolds Food Packaging LLC	Delaware	20-1902916
Reynolds Group Holdings Inc.	Delaware	27-1086869
Reynolds Manufacturing, Inc.	Delaware	45-3412370
Reynolds Packaging Holdings LLC	Delaware	77-0710439
Reynolds Packaging Kama Inc.	Delaware	36-3916292
Reynolds Packaging LLC	Delaware	20-1902976
Reynolds Presto Products Inc.	Delaware	76-0170620
Reynolds Services Inc.	Delaware	27-0147082
SIG Combibloc Inc.	Delaware	56-1374534
SIG Holding USA, LLC	Delaware	22-2398517
Closure Systems International Deutschland GmbH	Germany	Not Applicable
Closure Systems International Holdings (Germany) GmbH	Germany	Not Applicable
Omni-Pac Ekco GmbH Verpackungsmittel	Germany	Not Applicable
Omni-Pac GmbH Verpackungsmittel	Germany	Not Applicable
Pactiv Deutschland Holdinggesellschaft mbH	Germany	Not Applicable
SIG Beteiligungs GmbH	Germany	Not Applicable
SIG Beverages Germany GmbH	Germany	Not Applicable
SIG Combibloc GmbH	Germany	Not Applicable
SIG Combibloc Holding GmbH	Germany	Not Applicable
SIG Combibloc Systems GmbH	Germany	Not Applicable
SIG Combibloc Zerspanungstechnik GmbH	Germany	Not Applicable
SIG Euro Holding AG & Co. KGaA	Germany	Not Applicable
SIG Information Technology GmbH	Germany	Not Applicable
SIG International Services GmbH	Germany	Not Applicable
SIG Asset Holdings Limited	Guernsey	Not Applicable
Closure Systems International (Hong Kong) Limited	Hong Kong	Not Applicable
Evergreen Packaging (Hong Kong) Limited	Hong Kong	Not Applicable

SIG Combibloc Limited	Hong Kong	Not Applicable

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Exact Name of Additional Registrant as Specified in its Charter*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
CSI Hungary Manufacturing and Trading Limited Liability Company Kft.	Hungary	Not Applicable
Closure Systems International Holdings (Japan) KK	Japan	Not Applicable
Closure Systems International Japan, Limited	Japan	Not Applicable
Southern Plastics Inc.	Louisiana	72-0631453
Beverage Packaging Holdings (Luxembourg) I S.A.	Luxembourg	Not Applicable
Beverage Packaging Holdings (Luxembourg) III S.à r.l.	Luxembourg	Not Applicable
Beverage Packaging Holdings (Luxembourg) IV S.à r.l.	Luxembourg	Not Applicable
Evergreen Packaging (Luxembourg) S.à r.l.	Luxembourg	Not Applicable
Bienes Industriales del Norte, S.A. de C.V.	Mexico	Not Applicable
CSI en Ensenada, S. de R.L. de C.V.	Mexico	Not Applicable
CSI en Saltillo, S. de R.L. de C.V.	Mexico	Not Applicable
CSI Tecniservicio, S. de R.L. de C.V.	Mexico	Not Applicable
Evergreen Packaging Mexico, S. de R.L. de C.V.	Mexico	Not Applicable
Grupo Corporativo Jaguar, S.A. de C.V.	Mexico	Not Applicable
Grupo CSI de Mexico, S. de R.L. de C.V.	Mexico	Not Applicable
Pactiv Foodservice Mexico, S. de R.L. de C.V.	Mexico	Not Applicable
Pactiv Mexico, S. de R.L. de C.V.	Mexico	Not Applicable
Reynolds Metals Company de Mexico, S. de R.L. de C.V.	Mexico	Not Applicable
Técnicos de Tapas Innovativas, S.A. de C.V.	Mexico	Not Applicable
Servicios Industriales Jaguar, S.A. de C.V.	Mexico	Not Applicable
Servicio Terrestre Jaguar, S.A. de C.V.	Mexico	Not Applicable
Ultra Pac, Inc.	Minnesota	41-1581031
Closure Systems International B.V.	The Netherlands	Not Applicable
Evergreen Packaging International B.V.	The Netherlands	Not Applicable
Reynolds Consumer Products International B.V.	The Netherlands	Not Applicable
Reynolds Packaging International B.V.	The Netherlands	Not Applicable
Newspring Industrial Corp.	New Jersey	22-3256117
Whakatane Mill Limited	New Zealand	Not Applicable
BRPP, LLC	North Carolina	56-2206100
Graham Packaging Minster LLC	Ohio	56-2595198
Dopaco, Inc.	Pennsylvania	23-2106485
Graham Packaging Holdings Company	Pennsylvania	23-2553000
Graham Recycling Company, L.P.	Pennsylvania	23-2636186
SIG allCap AG	Switzerland	Not Applicable
SIG Combibloc Group AG	Switzerland	Not Applicable
SIG Combibloc Procurement AG	Switzerland	Not Applicable
SIG Combibloc (Schweiz) AG	Switzerland	Not Applicable
SIG Reinag AG	Switzerland	Not Applicable
SIG Schweizerische Industrie-Gesellschaft AG	Switzerland	Not Applicable
SIG Technology AG	Switzerland	Not Applicable
SIG Combibloc Ltd.	Thailand	Not Applicable
Closure Systems International (UK) Limited	United Kingdom	Not Applicable

IVEX Holdings, Ltd.	United Kingdom	Not Applicable

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Exact Name of Additional Registrant as Specified in its Charter*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
J. & W. Baldwin (Holdings) Limited	United Kingdom	Not Applicable
Kama Europe Limited	United Kingdom	Not Applicable
Omni-Pac U.K. Limited	United Kingdom	Not Applicable
Reynolds Consumer Products (UK) Limited	United Kingdom	Not Applicable
Reynolds Subco (UK) Limited	United Kingdom	Not Applicable
SIG Combibloc Limited	United Kingdom	Not Applicable
SIG Holdings (UK) Limited	United Kingdom	Not Applicable
The Baldwin Group Limited	United Kingdom	Not Applicable
Graham Packaging West Jordan, LLC	Utah	04-3642518

* The address and telephone number for each of the additional registrants is c/o Reynolds Group Holdings Limited Level Nine, 148 Quay Street, Auckland 1010 New Zealand, Attention: Joseph Doyle, telephone: +64 (9) 366-6259. The name and address, including zip code, of the agent for service for each additional registrant is Reynolds Group Issuer Inc. c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, telephone: (804) 281-2630.

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SUBJECT TO COMPLETION, DATED APRIL 6, 2012
PROSPECTUS

Reynolds Group Issuer Inc.
Reynolds Group Issuer LLC
Reynolds Group Issuer (Luxembourg) S.A.

Offer to Exchange

$1,125,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for
$1,125,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

450,000,000 Outstanding 7.750% Senior Secured Notes due 2016 and Related Guarantees for
450,000,000 Registered 7.750% Senior Secured Notes due 2016 and Related Guarantees

$1,000,000,000 Outstanding 8.500% Senior Notes due 2018 and Related Guarantees for
$1,000,000,000 Registered 8.500% Senior Notes due 2018 and Related Guarantees

$1,500,000,000 Outstanding 7.125% Senior Secured Notes due 2019 and Related Guarantees for
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$1,500,000,000 Outstanding 9.000% Senior Notes due 2019 and Related Guarantees for
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$1,500,000,000 Outstanding 7.875% Senior Secured Notes due 2019 and Related Guarantees for
$1,500,000,000 Registered 7.875% Senior Secured Notes due 2019 and Related Guarantees

$1,000,000,000 Outstanding 9.875% Senior Notes due 2019 (originally issued on
August 9, 2011) and Related Guarantees for
$1,000,000,000 Registered 9.875% Senior Notes due 2019 and Related Guarantees

$1,000,000,000 Outstanding 6.875% Senior Secured Notes due 2021 and Related Guarantees for
$1,000,000,000 Registered 6.875% Senior Secured Notes due 2021 and Related Guarantees

and

$1,000,000,000 Outstanding 8.250% Senior Notes due 2021 and Related Guarantees for
$1,000,000,000 Registered 8.250% Senior Notes due 2021 and Related Guarantees

Exchange Offer and Consent Solicitation

$1,250,000,000 Outstanding 9.875% Senior Notes due 2019 (originally issued on February 15, 2012) and Related Guarantees for $1,250,000,000 Registered 9.875% Senior Notes due 2019 and Related Guarantees

Reynolds Group Issuer Inc., or the US Issuer, Reynolds Group Issuer LLC, or the US Co-Issuer, and Reynolds Group Issuer (Luxembourg) S.A., or the Lux Issuer, which collectively we refer to as the Issuers, are offering to exchange the old notes, as defined in this prospectus, for a like principal amount of new notes, as defined in this prospectus.

The terms of the new notes of each series are identical in all material respects to the terms of the old notes of the same series, except that, among other differences, the new notes are registered under the Securities Act of 1933, as amended, which we refer to as the Securities Act, and the transfer restrictions and registration rights relating to the old notes will not apply to the new notes. The old notes and the new notes are joint and several obligations of the Issuers. The new notes (other than the new February 2012 Notes) will be issued under the same indenture governing the old notes of the same series. The new February 2012 Notes will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer (as defined below), the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes. The old February 2012 Notes that are not tendered in the exchange offer will continue to be governed by the indenture governing the old February 2012 Notes, but, if the proposed amendments (as defined below) become effective, the holders of any old February 2012 Notes that are not tendered will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes. See Description of the 2009 Notes General, Description of the May 2010 Notes General, Description of the October 20 Senior Secured Notes General, Description of the October 2010 Senior Notes General, Description of the February 2011 Senior Secured Notes General, Description of the February 2011 Senior Notes General, Description of the August 2011 Senior Secured Notes General and Description of the August 2011 Senior Notes and the New February 2012 Notes General.

The exchange offer and, in the case of the February 2012 Notes only, the consent solicitation (as defined below), will expire at 5:00 p.m., New York City time, on , 2012, which date and time we refer to as the expiration date, unless the Issuers extend the expiration date, in which case expiration date means the latest date and time to which the exchange offer is extended. You should read the section called The Exchange Offer for further information on how to exchange your old notes for new notes and, in the case of the February 2012 Notes only, deliver consents.

The old notes and the new notes are guaranteed (subject to certain customary guarantee release provisions set forth in the indentures governing the notes), on a joint and several basis, by Reynolds Group Holdings Limited, or RGHL, Beverage Packaging Holdings (Luxembourg) I S.A., or BP I, and certain of BP I s subsidiaries that, subject to certain exceptions, are borrowers under, or guarantee the Senior Secured Credit Facilities (as defined herein) of RGHL, BP I and certain subsidiaries of BP I, which collectively we refer to as the guarantors. Each guarantor is 100% owned by RGHL. The registration statement, of which this prospectus forms a part, registers the guarantees as well as the notes. Both the senior secured notes and the senior notes and the related guarantees are senior obligations of the Issuers and the guarantors and the senior secured notes are secured on a first lien priority basis by existing and future assets of certain of the guarantors, including RGHL and certain of its subsidiaries, as described in this prospectus. In the event of enforcement of the liens securing the senior secured notes, the proceeds thereof will be applied (subject to repaying certain agent and transfer fees and costs of enforcement) first to repay on a ratable basis the senior secured notes and the other indebtedness secured on a first lien priority basis by those liens, including under BP I s and its subsidiaries senior secured credit facilities. The priority of all liens securing the senior secured notes and the related guarantees is subject to certain exceptions and prior permitted liens.

Concurrently with the exchange offer, we are also soliciting consents from holders of the 9.875% Senior Notes due 2019 (originally issued on February 15, 2012), or the February 2012 Notes, for certain amendments to the indenture governing the February 2012 Notes (the consent solicitation) to eliminate or amend substantially all of the restrictive covenants, and modify certain of the events of default and various other provisions, contained in the indenture governing the February 2012 Notes (collectively, the proposed amendments). Holders may not deliver consents to the proposed amendments without tendering their old February 2012 Notes, and holders may not tender their old February 2012 Notes without delivering the related consents. The tender of old February 2012 Notes pursuant to the exchange offer and consent solicitation will be deemed to automatically constitute delivery of a consent with respect to the old February 2012 Notes tendered. We refer to the exchange offer and the consent solicitation collectively in this prospectus as the exchange offer, unless the context otherwise requires.

See Risk Factors beginning on page 52 for a discussion of risk factors that you should consider prior to tendering your old notes in the exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for the old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuers have agreed that, for a period of 180 days after the expiration date, they will make this prospectus available to any exchanging dealer or initial purchaser and for a period of 90 days after the expiration day to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2012

NOTICE TO EEA INVESTORS

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) there shall be no offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except, with effect from and including the Relevant Implementation Date, an offer of notes may be made to the public in that Relevant Member State at any time:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive subject to obtaining the prior consent of the representatives for any such offer; or

in any other circumstances which do not require the publication by the Issuers or any guarantor of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any of the notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as this definition may have been amended in the Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

NOTICE TO CERTAIN NON-US INVESTORS

Austria. The notes may be offered and sold in the Republic of Austria only in accordance with the provisions of Capital Markets Act *(Kapitalmarktgesetz)*, the Banking Act *(Bankwesengesetz)*, the Securities Supervision Act 2007 *(Wertpapieraufsichtsgesetz 2007)* of Austria and any other applicable Austrian law governing the offer and sale of the notes in the Republic of Austria. The notes have not been admitted for a public offer in Austria either under the provisions of the Capital Markets Act *(Kapitalmarktgesetz)*, or the Investment Funds Act *(Investmentfondsgesetz)* or the Stock Exchange Act *(Börsegesetz)*. Neither this document nor any other document in connection with the notes is a prospectus according to the Capital Markets Act *(Kapitalmarktgesetz)*, the Stock Exchange Act *(Börsegesetz)* or the Investment Funds Act *(Investmentfondsgesetz)* and has therefore not been drawn up, audited, approved, pass-ported and/or published in accordance with the aforesaid acts. Consequently, the notes may not be, and are not being, offered, (re-)sold or otherwise transferred directly or indirectly by way of a public offering in the Republic of Austria. No steps may be taken that would constitute a public offer of the notes in Austria and the offer of the notes may not be advertised publicly in the Republic of Austria.

Brazil. The notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*). The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations. The notes are not being offered into Brazil. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any offer for subscription or sale of the notes to the public in

Brazil.

Denmark. This prospectus does not constitute a prospectus under Danish law or regulations and has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark, and the notes have not been and are not intended to be listed on a Danish stock exchange or a Danish authorized market place. Furthermore, the notes have not been and will not be offered to the public in Denmark. Consequently, this prospectus may not be made available nor may the notes otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 306 of April 28, 2005.

France. The notes have not been and will not be offered or sold, directly or indirectly, to the public in France *(offre au public de titres financiers)*, and no offering or marketing materials relating to the notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The notes may only be offered or sold in France to qualified investors *(investisseurs qualifiés)* and/or to a limited group of investors *(cercle restreint d investisseurs)* as defined in and in accordance with articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier and article 211-2 of the Règlement Général of the French financial market authority *(Autorité des Marchés Financiers)*.

Prospective investors are informed that:

this prospectus has not been submitted for clearance to the *Autorité des Marchés Financiers*;

in compliance with article D.411-1 of the French *Code monétaire et financier*, any investors subscribing for the notes should be acting for their own account; and

the direct and indirect distribution or sale to the public of the notes acquired by them may only be made in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French *Code monétaire et financier*.

Germany. The notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany *(Wertpapierprospektgesetz, WpPG)* and any other applicable German law. This prospectus has not been and will not be filed with or approved by the German Financial Services Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)* or any other regulatory authority in Germany, and the notes have not been and will not be admitted for public offering in Germany. Consequently, in Germany the notes will only be available to, and this prospectus and any other offering material in relation to the notes is directed only at, persons who are qualified investors *(qualifizierte Anleger)* within the meaning of Section 2 No. 6 of the Securities Prospectus Act. Any resale of the notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable German laws.

Hungary. The offering of the notes is not a public offering in the Republic of Hungary. Therefore, no license has been and will be issued by the Hungarian Financial Supervisory Authority or any other authority for the public offering of the notes in Hungary. Any marketing, subsequent transfer or on-sale of the notes must be carried out in accordance with the private placement exemptions of the Capital Markets Act (Act CXX of 2001) and any other applicable Hungarian law.

Ireland. This document does not comprise a prospectus for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland, the Prospectus (Directive 2003\71\EC) Regulations 2005 of Ireland or the Prospectus Rules issued by the Central Bank of Ireland in March 2006. No person may: (i) underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any codes of conduct rules made under Section 37 thereof, and the provisions of the Investor Compensation Act 1998; (ii) underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2003 (as amended) and any codes of conduct rules made under Section 117(1) thereof; and (iii) underwrite the issue of, or place, or otherwise act in Ireland in respect of, the notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by The Central Bank of Ireland pursuant thereto.

Italy. The offering of the notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (CONSOB) (the Italian Securities Exchange Commission), in accordance with Italian securities legislation and, accordingly, in the Republic of Italy the notes may not be offered, sold or delivered, nor may

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copies of the prospectus or of any other document relating to the notes be distributed in the Republic of Italy, except:

to professional investors *(operatori qualificati)*, as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of July 1, 1998 (Regulation 11522), as amended; or

in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the Financial Services Act) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended; and

provided, however, that any such offer, sale or delivery of notes or distribution of copies of this prospectus or any other document relating to the notes in the Republic of Italy must:

be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993 (the Banking Act), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations;

be conducted in accordance with any relevant limitations or procedural requirements that CONSOB may impose upon the offer or sale of the notes, and

be made in compliance with any and all other applicable laws and regulations.

Grand Duchy of Luxembourg. The notes may not be offered or sold within the territory of the Grand Duchy of Luxembourg unless:

a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier in accordance with the Law of 10 July 2005 on prospectuses for securities as amended from time to time (the Prospectus Law) and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the Prospectus Directive) and any Luxembourg law which will implement Directive 2010/73/EU of 24 November 2010 (the PD Amending Directive) if Luxembourg is a home member state (as defined in the Prospectus Law); or

if Luxembourg is not the home member State, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home member state that the prospectus has been duly approved in accordance with the Prospectus Directive and the PD Amending Directive; or

the offer is made to (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or (ii) a legal entity which has two or more of (1) an average of at least 250 employees during the financial year; (2) a total balance sheet of more than 43,000,000; and (3) an annual net turnover of more than 50,000,000 as shown in its last annual or consolidated published accounts, or the offer benefits from any other exemption to or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

Spain. The notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law *(Ley 24/1988, de 28 de julio, del Mercado de Valores)*, as amended and restated, and Royal Decree 1310/2005 *(Real Decreto 1310/2005, de 4 de noviembre de 2005, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos)*, as amended and restated, and the decrees and regulations made thereunder. The notes may not be sold, offered or distributed to persons in Spain except in circumstances which do not constitute an offer of securities in Spain within the meaning of the Spanish Securities Market Law and further relevant legislation. This prospectus has not been registered with the

Spanish Securities Market Commission *(Comisión Nacional del Mercado de Valores)* and therefore it is not intended for the offering or sale of the notes in Spain.

Switzerland. The notes may be offered in Switzerland on the basis of a private placement and not as a public offering. The notes will neither be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland, nor are they subject to Swiss Law. This prospectus does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations, Art. 27, et seqq. of the Listing Rules of the SIX Swiss Exchange or the listing rules of any other stock exchange or regulated trading facility in Switzerland, and does not comply with the Directive for notes of Foreign Borrowers of the Swiss Bankers Association. Neither this document nor any other offering or marketing material relating to the notes or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the notes, the issuers of the notes or the notes have been or will be registered with the Swiss Financial Market Supervisory Authority (FINMA) or any other Swiss authority for any purpose whatsoever.

United Kingdom. This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (3) high net worth entities, and other persons to whom it may lawfully be communicated falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as relevant persons). The exchange notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such exchange notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

MARKET DATA

We operate in markets for which it is difficult to obtain precise and current industry and market information. All statements made in this prospectus regarding our position in the markets in which we operate, including market data, certain economics data and forecasts, were estimated or derived based upon assumptions we deem reasonable and from our own research, surveys or studies conducted by third parties, and other industry or general publications. There is no single third party source for any of our market shares or total market size. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable. While we believe that each of these studies and publications is reliable, we have not independently verified data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, we believe our internal research with respect to our markets is reliable, but it has not been verified by any independent sources. Historical data on the food and beverage packaging manufacturing market do not have a universally recognized authoritative source.

In addition, in many cases we have made statements in this prospectus regarding our markets and our position in such markets based on our experience and investigation of market conditions. None of our internal surveys or information has been verified by any independent sources.

TRADEMARKS

As used in this prospectus, Combibloc®, Combifit™, Combishape®, Diamond®, Evergreen Packaging®, Kordite®, Presto®, Reynolds®, Reynolds Wrap®, Hefty®, Hefty® Baggies®, Hefty® Cinch Sak®, Hefty® EZ Foil®, Hefty® Odor Block®, Hefty® OneZip®, Hefty® The Gripper®, Hefty® Zoo Pals®, Monosorb®, SurShot®, Escape®, G-Lite® and SlingShot™ are trademarks of our different businesses. This prospectus also refers to brand names, trademarks or service marks of other companies. All brand names and other trademarks or service marks cited in this prospectus are the property of their respective holders.

We have not authorized anyone to give you any information or to make any representations about the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representation about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.

In making an investment decision, investors must rely on their own examination of our business and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

In connection with the exchange offer, we have filed with the Securities and Exchange Commission, or the SEC, a registration statement on Form F-4, under the Securities Act, relating to the new notes to be issued in the exchange offer. As permitted by SEC rules, this prospectus does not contain all the information included in the registration statement. For a more complete understanding of the exchange offer, you should refer to the registration statement, including its exhibits.

The public may read and copy any reports or other information that we file with the SEC. Such filings are available to the public over the Internet at the SEC s website at http://www.sec.gov. The SEC s Internet address is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. You may also obtain a copy of the registration statement relating to the exchange offer and other information that we file with the SEC at no cost by calling us or writing to us at the following address:

Reynolds Group Holdings Limited
Level Nine
148 Quay Street
Auckland 1010 New Zealand
Attention: Joseph Doyle
+64 (9) 366-6259

In order to obtain timely delivery of such materials, you must request documents from us no later than five business days before you must make your investment decision or at the latest by , 2012.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should read this entire prospectus carefully, including Summary Presentation of Financial Information, Risk Factors, Special Note of Caution Regarding Forward-Looking Statements, and Operating and Financial Review and Prospects.

In this prospectus, unless otherwise indicated or the context otherwise requires (a) references to we, us or our are to RGHL and its consolidated subsidiaries, (b) references to Graham Packaging are to Graham Packaging Company Inc. and, unless the context otherwise requires, its consolidated subsidiaries and (c) references to the RGHL Group are to RGHL and its consolidated subsidiaries. We describe the six segments that comprise the RGHL Group following the consummation of the Graham Packaging Acquisition ((i) our aseptic carton packaging segment, or SIG, (ii) our fresh carton packaging, liquid packaging board, carton board and freesheet segment, or Evergreen, (iii) our caps and closures segment, or Closures, (iv) our consumer products segment, or Reynolds Consumer Products, (v) our foodservice packaging segment, or Pactiv Foodservice, and (vi) our custom blow molded plastic container segment, or Graham Packaging) as if they were the RGHL Group s segments for all historical periods described in this prospectus, unless otherwise indicated.

For a discussion of the terms used to describe our transactions (e.g. 2012 Refinancing Transactions, Graham Packaging Change of Control Offer, Graham Packaging Acquisition, Dopaco Acquisition, 2011 Refinancing Transactions, Pactiv Acquisition, Reynolds Foodservice Acquisition, Evergreen Acquisition, RGHL Acquisition, Acquisition and Initial Evergreen Acquisition), refer to The Transactions.

For ease of reference, you may also refer to the Glossary of Selected Terms for many of the defined terms used in this prospectus.

Our Company

We are a leading global manufacturer and supplier of consumer beverage and foodservice packaging products. We sell our products to customers globally, including to a diversified mix of leading multinational companies, large national and regional companies and small local businesses. We primarily serve the consumer food, beverage and foodservice market segments.

Our Segments

We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging.

SIG Overview

SIG is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. Aseptic carton packaging, most prevalent in Europe and Asia, is designed to allow beverages or liquid food to be stored for extended periods of time without refrigeration. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services. SIG has a large global customer base with its largest presence in Europe.

Evergreen Overview

Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. Fresh carton packaging, most predominant in North America, is designed for beverages that require a cold-chain distribution system, and therefore have a more limited shelf life than beverages in aseptic carton packaging. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other manufacturers. Evergreen also produces coated groundwood primarily for catalogs, inserts, magazine and commercial printing, as well as uncoated freesheet primarily for envelope, specialty and offset printing paper. Evergreen has a large customer base and operates primarily in North America.

Closures Overview

Closures is a leading manufacturer of plastic beverage caps and closures, primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market. Closures products also serve the liquid dairy, food, beer and liquor and automotive fluid markets. In addition to supplying plastic caps and closures, Closures also offers high speed rotary capping equipment, which secure caps on a variety of packaging, and related services. Closures has a large global customer base with its largest presence in North America.

Reynolds Consumer Products Overview

Reynolds Consumer Products is a leading manufacturer in the U.S. of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. These products are typically used by consumers in their homes and are sold through a variety of retailers, including grocery stores, mass-merchandisers, warehouse clubs, drug stores, discount chains and military channels. Reynolds Consumer Products has a large customer base and operates primarily in North America.

Pactiv Foodservice Overview

Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Pactiv Foodservice distributes its foodservice and food packaging products through foodservice distributors, food processors, supermarket distributors, supermarkets and restaurants. Pactiv Foodservice has a large customer base and operates primarily in North America.

Graham Packaging Overview

Graham Packaging, including the operations and activities of Graham Packaging Holdings Company, or Graham Holdings, is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. We believe that Graham Packaging has the number one market share positions in North America for hot-fill juices, sports drinks/isotonics, yogurt drinks, liquid fabric care, dish detergents, motor oil and certain other products measured by volume based on our analysis of industry data. Graham Packaging operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials such as glass, metal and paperboard.

Risk Factors

Our ability to successfully operate our business is subject to certain risks, including those that are generally associated with operating in the packaging industry. These risks include, but are not limited to, the following:

- risks related to the future costs of energy, raw materials and freight;

- risks related to our substantial outstanding third-party indebtedness of approximately $18,084 million as of December 31, 2011 after giving pro forma effect to the 2012 Refinancing Transactions;

risks related to our ability to service our current and future indebtedness for which we will have to spend approximately $1,450 million annually to service our indebtedness after giving pro forma effect to the 2012 Refinancing Transactions;

risks related to our other 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 downturns in our target markets;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to the impact of a loss of one of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;
- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;
- risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;
- risks related to other factors discussed or referred to in this prospectus, including in the section titled Risk Factors.

We operate in a very competitive and rapidly changing environment. Investing in the notes involves substantial risk. You should consider carefully all of the information in this prospectus and, in particular, you should evaluate the specific risk factors set forth in the Risk Factors section of this prospectus in evaluating the exchange offer and making a decision whether to invest in the new notes.

Recent Developments

The 2012 Refinancing Transactions

On February 15, 2012, the Issuers completed the sale of $1,250 million aggregate principal amount of the February 2012 Notes in a private offering. The February 2012 Notes will mature on August 15, 2019.

The net proceeds from the offering of the February 2012 Notes were used to refinance the $14 million outstanding aggregate principal amount of the 8.250% Senior Notes due 2017, or the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the 8.250% Senior Notes due 2018, or the Graham Packaging 2018 Notes, and the $355 million outstanding aggregate principal amount of the 9.875% Senior Subordinated Notes due 2014, or the Graham Packaging Senior Subordinated Notes, which together with the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, we refer to as the Graham Packaging Notes, each issued by RGHL s wholly-owned subsidiaries, Graham Packaging Company, L.P. and GPC Capital Corp. I, and the $249 million outstanding aggregate principal amount of the 5.875% Notes due 2012, or the Pactiv 2012 Notes, issued by RGHL s wholly-owned subsidiary, Pactiv LLC (Pactiv) and pay fees associated with the early repayment of these notes, by depositing funds, on February 15, 2012, with the trustees of the Graham Packaging Notes and of the Pactiv 2012 Notes, respectively, to satisfy and discharge their obligations pursuant to the indentures governing these notes. In addition, the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes redeemed such notes on March 16, 2012. RGHL intends to use the remaining net proceeds from the offering of the February 2012 Notes for general corporate purposes.

On March 20, 2012 Graham Holdings and certain of its U.S. subsidiaries guaranteed the Senior Secured Credit Facilities, the notes and the 2007 Notes and provided security for the Senior Secured Credit Facilities and the secured notes.

Other

In January 2012, the RGHL Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. The assets and liabilities of this operation are reported as held for sale in our December 31, 2011

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statement of financial position. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in an estimated gain on sale of $66 million.

Our Strategic Owner

We are part of a group of private companies based in New Zealand that are wholly-owned by Mr. Graeme Hart, our strategic owner.

Between January 31, 2007 and August 1, 2007, entities beneficially owned by Mr. Graeme Hart acquired the businesses that now constitute our Evergreen segment in a series of transactions for $618 million. On May 4, 2010, we acquired the equity of the businesses that now constitute our Evergreen segment from these entities for a total purchase price of $1,612 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities beneficially owned by Mr. Graeme Hart acquired from Alcoa Inc. the businesses that now constitute our Closures segment, our Reynolds consumer products business and our Reynolds foodservice packaging business for a total purchase price of $2.7 billion.

On November 5, 2009, we acquired the equity of the businesses that now constitute our Closures segment for a total purchase price of $708 million and our Reynolds consumer products business for a total purchase price of $984 million from these entities. The purchase price was paid to entities controlled by Mr. Graeme Hart.

On September 1, 2010, we acquired the equity of the businesses that now constitute our Reynolds foodservice packaging business from these entities for a total purchase price of $342 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

In each case, the difference between the consideration paid to initially acquire a business from a third-party and the consideration paid by the RGHL Group to acquire the same business from entities that are beneficially owned by Mr. Graeme Hart reflects changes in fair value. The changes in fair value of the net assets acquired plus debt issued from the original purchase price relate to indebtedness assumed as well as changes in the underlying value of the equity of the business. The change in the underlying value of the business relates to the realization of the cost savings initiatives and operational synergies combined with improvements in industry and general market conditions. Cash payments made by us to acquire these businesses either reduced our available cash or were funded by increases in the principal amount of our outstanding indebtedness.

RGHL

Reynolds Group Holdings Limited was incorporated under the Companies Act 1993 of New Zealand on May 30, 2006. Its registered office is located at Level Nine, 148 Quay Street, Auckland 1010 New Zealand, and its telephone number is +64 (9) 366-6259.

The Issuers

US Issuer is a corporation, incorporated under the laws of the State of Delaware, United States, on September 29, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes. Other than its financing activities as a co-issuer of the notes, US Issuer has no material assets, operations or revenue. Accordingly, we have not included any financial statements or other information about the US Issuer. Its registered office is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, and its telephone number is (804) 281-2630.

US Co-Issuer is a limited liability company formed under the laws of the State of Delaware, United States, on September 17, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes. Other than its financing activities as a co-issuer of the notes, US Co-Issuer has no

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material assets (other than certain intercompany loans), operations or revenue. Accordingly, we have not included any financial statements or other information about the US Co-Issuer. Its registered office is located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, and its telephone number is (804) 281-2630.

Lux Issuer is a public limited liability company (société anonyme), formed under the laws of Luxembourg on September 24, 2009 as an indirect special purpose finance subsidiary of RGHL to facilitate the offering of the notes. Other than its financing activities as a co-issuer of the notes, Lux Issuer has no material assets (other than certain intercompany loans), operations or revenue. Accordingly, we have not included any financial statements or other information about the Lux Issuer. Its registered office is located at 6C Rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, and its telephone number is +352-26-258-8883.

Corporate Structure

RGHL is a holding company that conducts its business operations through its controlled entities. The following diagram provides a simplified overview of our corporate structure. For a detailed list of RGHL s controlled entities (including the guarantors of the notes), their country of incorporation and the proportion of ownership and voting interest held, directly or indirectly, in them by RGHL, refer to Annex A to this prospectus. Unless indicated below, all depicted entities are issuers or guarantors of the notes.

The following diagram sets forth a summary of our corporate structure and certain financing arrangements. The 7.750% senior secured notes due 2016, or the 2009 Notes, the 8.500% senior notes due 2018, or the May 2010 Notes, the 7.125% senior secured notes due 2019, or the October 2010 Senior Secured Notes, the 9.000% senior notes due 2019, or the October 2010 Senior Notes, which together with the October 2010 Senior Secured Notes, we refer to as the October 2010 Notes, the 6.875% senior secured notes due 2021, or the February 2011 Senior Secured Notes, the 8.250% senior notes due 2021, or the February 2011 Senior Notes, which together with the February 2011 Senior Secured Notes, we refer to as the February 2011 Notes, the 7.875% senior secured notes due 2019, or the August 2011 Senior Secured Notes, the 9.875% senior notes due 2019 (originally issued on August 9, 2011), or the August 2011 Senior Notes, which together with the August 2011 Senior Secured Notes, we refer to as the August 2011 Notes, and the 9.875% senior notes due 2019 (originally issued on February 15, 2012), or the February 2012 Notes, are being registered in connection with this offering.

The (i) 8.0% senior notes due 2016 issued by Beverage Packaging Holdings (Luxembourg) S.A., or BP II, or the 2007 Senior Notes, the 9.5% senior subordinated notes due 2017 issued by BP II, or the 2007 Senior Subordinated Notes, which together with the 2007 Senior Notes, we refer to as the 2007 Notes, and (ii) the 8.135% Debentures due 2017, the 6.400% Notes due 2018, the 7.950% Debentures due 2025 and the 8.375% Debentures due 2027, each issued by Pactiv, which collectively we refer to as the Pactiv Notes, are not part of and are not being registered in connection with this offering.

For a summary of the debt obligations referenced in this diagram, see Description of Certain Other Indebtedness and Intercreditor Agreements, Description of the 2009 Notes, Description of the May 2010 Notes, Description of the October 2010 Senior Secured Notes, Description of the October 2010 Senior Notes, Description of the February 2011 Senior Secured Notes, Description of the February 2011 Senior Notes, Description of the August 2011 Senior Secured Notes and Description of the August 2011 Senior Notes and the New February 2012 Notes.

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* Does not guarantee the notes or our senior secured credit facilities.

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Summary of the Terms of the Exchange Offer

The old notes were issued in private placement offerings made only to qualified institutional buyers pursuant to Rule 144A under the Securities Act, or Rule 144A, and to persons outside the United States pursuant to Regulation S under the Securities Act, or Regulation S, and accordingly were exempt from registration under the Securities Act. See The Exchange Offer.

Notes Offered	$1,125,000,000 aggregate principal amount of new 2009 Notes, which have been registered under the Securities Act.
	450,000,000 aggregate principal amount of new 2009 Notes, which have been registered under the Securities Act.
	$1,000,000,000 aggregate principal amount of new May 2010 Notes, which have been registered under the Securities Act.
	$1,500,000,000 aggregate principal amount of new October 2010 Senior Secured Notes, which have been registered under the Securities Act.
	$1,500,000,000 aggregate principal amount of new October 2010 Senior Notes, which have been registered under the Securities Act.
	$1,000,000,000 aggregate principal amount of new February 2011 Senior Secured Notes, which have been registered under the Securities Act.
	$1,000,000,000 aggregate principal amount of new February 2011 Senior Notes, which have been registered under the Securities Act.
	$1,500,000,000 aggregate principal amount of new August 2011 Senior Secured Notes, which have been registered under the Securities Act.
	$1,000,000,000 aggregate principal amount of new August 2011 Senior Notes, which have been registered under the Securities Act.
	$1,250,000,000 aggregate principal amount of new February 2012 Notes, which have been registered under the Securities Act.
	We refer to (i) the outstanding 2009 Notes, the May 2010 Notes, October 2010 Notes, the February 2011 Notes, the August 2011 Notes and the February 2012 Notes as the old notes and the corresponding series of notes registered pursuant to this exchange offer as the new notes, (ii) the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes as the senior secured notes, (iii) the May 2010 Notes, the October 2010 Senior Notes, the February 2011 Senior Notes, the August 2011 Senior Notes and the February 2012 Notes as the senior notes and (iv) the old notes and the new notes as the notes.

References to the indentures governing the notes or the covenants included therein should be read to exclude the indenture governing the old February 2012 Notes following the exchange offer and assuming such indenture is amended pursuant to the proposed amendments.

The terms of the new notes of each series are identical in all material respects to the terms of the old notes of the same series,

	except that the new notes are registered under the Securities Act and will not be subject to restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP and ISIN number than the old notes of the same series, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes. The new notes (other than the new February 2012 Notes) will be issued under the same indenture governing the old notes of the same series. The new February 2012 Notes will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer, the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes. The old February 2012 Notes that are not tendered in the exchange offer will continue to be governed by the indenture governing the old February 2012 Notes, but, if the proposed amendments become effective, the holders of any old February 2012 Notes that are not tendered will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.
The Exchange Offer	You may exchange old notes and the related guarantees of each series for a like principal amount of new notes and the related guarantees. As part of the exchange offer, we are soliciting the consent of holders of the requisite aggregate principal amount outstanding of the February 2012 Notes necessary to amend certain of the terms of the indenture governing the old February 2012 Notes. **The tender of old February 2012 Notes pursuant to the exchange offer and consent solicitation will be deemed to automatically constitute delivery of a consent with respect to the old February 2012 Notes tendered.** See The Exchange Offer Procedures for Tendering Deemed Consent by Tender.
Resale of New Notes	Based on interpretations by the staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the new notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder of such new notes, other than any such holder that is a broker-dealer or an affiliate of us within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that: such new notes are acquired in the ordinary course of business;

	at the time of the commencement of the exchange offer such holder has no arrangement or understanding with any person to participate in a distribution of such new notes; and
	such holder is not engaged in and does not intend to engage in a distribution of such new notes.
	By tendering old notes as described in The Exchange Offers Procedures for Tendering , you will be making representations to this effect. If you fail to satisfy any of these conditions, you cannot rely on the position of the SEC set forth in the interpretive letters referred to above and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the new notes. You should read the discussion under the heading The Exchange Offer for further information regarding the exchange offer and resale of the new notes.
Registration Rights Agreement	We have undertaken the exchange offer pursuant to the terms of the registration rights agreements that the Issuers entered into with the initial purchasers of the old notes. See The Exchange Offer Purpose of the Exchange Offer.
Consequences of Failure to Exchange the Old Notes	You will continue to hold old notes that remain subject to their existing transfer restrictions if:
	you do not tender your old notes; or
	you tender your old notes and they are not accepted for exchange.
	If holders of a majority of principal amount of the February 2012 Notes consent to the proposed amendments by participating in the exchange offer, the proposed amendments will become effective promptly following the exchange offer. As a result of this exit consent and resulting amendments, if a holder does not tender its old February 2012 Notes, its old February 2012 Notes will continue to be governed by the indenture governing the old February 2012 Notes, but such holder will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.
	If a holder tenders its old February 2012 Notes in the exchange offer, the new February 2012 Notes held by such holder will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer, the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes.

With some limited exceptions, we will have no obligation to register the old notes after we consummate the exchange offer. See The Exchange Offer Terms of the Exchange Offer and The Exchange Offer Consequences of Failure to Exchange.

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Proposed Amendments; Requisite Consents	If adopted, the proposed amendments would delete many of the restrictive covenants and certain events of default in the indenture governing the old February 2012 Notes. The consent of the holders of at least a majority of the outstanding aggregate principal amount of the old February 2012 Notes is required in order for the proposed amendments to be adopted.
Expiration Date	The exchange offer and, in the case of the February 2012 Notes, the consent solicitation will expire at 5:00 p.m., New York City time, on , 2012, unless we extend it, in which case expiration date means the latest date and time to which the exchange offer and, in the case of the February 2012 Notes, the consent solicitation is extended. The exchange offer may not be extended without, in the case of the February 2012 Notes, extending the consent solicitation and, in the case of the February 2012 Notes, the consent solicitation may not be extended without extending the exchange offer.
Interest on the New Notes	The new notes of each series will accrue interest from the last interest payment date on which interest was paid on the old notes of the same series or, if no interest has been paid on the old notes of the same series, from the date of original issue of the old notes of the same series.
Conditions to the Exchange Offer	The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue new notes in exchange for, any old notes, and we may terminate or amend the exchange offer, if we determine at any time before the expiration date that the exchange offer would violate applicable law, any applicable interpretation of the SEC or its staff or any order of any governmental agency or court of competent jurisdiction. The foregoing conditions are for our sole benefit and, except those conditions related to the receipt of government regulatory approvals necessary to consummate the exchange offer, will be satisfied or waived by us at or before the expiration of the exchange offer. In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at any time any stop order is threatened or in effect with respect to: the registration statement of which this prospectus constitutes a part; or the qualification of the indenture governing the relevant notes under the Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act. See The Exchange Offer Conditions. We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any of the foregoing events. If we amend the exchange offer in a manner that we determine to constitute a material change, including the waiver of a material condition, we will promptly disclose the amendment in a manner reasonably

calculated to inform the holders of outstanding notes of

	that amendment and we will extend the exchange offer if necessary so that at least five business days remain in the offer following notice of the material change.
Procedures for Tendering Old Dollar Denominated Notes	If you wish to participate in any of the exchange offers, you must submit required documentation and effect a tender of old notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this prospectus and in the relevant letter of transmittal or electronic acceptance instruction. See The Exchange Offers Procedures for Tendering.
Procedures for Tendering Old Euro Denominated Notes	Pursuant to their internal guidelines, Euroclear and Clearstream will automatically exchange old euro notes for new euro notes on behalf of the holders of the old euro notes. **If you do not wish to participate in the exchange offer, the registered holder of old euro notes on the records of Euroclear or Clearstream must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action ;** otherwise such old euro notes will be tendered in the exchange offer, and you will be deemed to have agreed to be bound by the terms of the letter of transmittal. The exchange for old euro notes so tendered will only be made after a timely confirmation of a book-entry transfer of old euro notes into the exchange agent s account, and timely receipt by the exchange agent of an agent s message. **Holders that cannot make the representations contained in the letter of transmittal must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action.**
Guaranteed Delivery Procedures	None.
Withdrawal Rights	Tenders of old notes may be withdrawn, and, in the case of the February 2012 Notes, the related consents may be revoked at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw a tender of old notes, a notice of withdrawal must be received by the exchange agent at its address set forth in The Exchange Offer Exchange Agent prior to the expiration date. See The Exchange Offer Withdrawal of Tenders.
Acceptance of Old Notes and Delivery of New Notes	Except in some circumstances, any and all old notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. The new notes issued pursuant to the exchange offer will be delivered promptly after such acceptance. We reserve the absolute right to reject any and all old notes not properly tendered or any old notes which, if accepted, would, in the opinion of counsel for us, be unlawful. See The Exchange Offer Terms of the Exchange Offer and The Exchange Offer Acceptance of Old Notes for Exchange; Delivery of New Notes.

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Certain U.S. Federal Tax Considerations	We believe that the exchange of the old notes for the new notes will not constitute a taxable exchange for U.S. federal income tax purposes. See Tax Considerations Certain U.S. Tax Considerations.
Exchange Agent	The Bank of New York Mellon is serving as the exchange agent for the notes.

Summary of the Terms of the New Notes

The terms of the new notes of each series are identical in all material respects to the terms of the old notes of the same series, except that the new notes:

are registered under the Securities Act and therefore will not be subject to restrictions on transfer;

will not be subject to provisions relating to additional interest;

will bear a different CUSIP and ISIN number than the old notes of the same series;

will not entitle their holders to registration rights; and

will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

The new notes (other than the new February 2012 Notes) will be issued under the same indenture governing the old notes of the same series. The new February 2012 Notes will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer, the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes.

The old February 2012 Notes that are not tendered in the exchange offer will continue to be governed by the indenture governing the old February 2012 Notes, but, if the proposed amendments become effective, the holders of any old February 2012 Notes that are not tendered will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.

Issuers	The new notes will be the joint and several obligations of Reynolds Group Issuer Inc., Reynolds Group Issuer LLC and Reynolds Group Issuer (Luxembourg) S.A.
Maturity Date	Each new note will mature on the same date as the old note for which it is being exchanged.
Interest Rates and Payment Dates	Each new note will bear interest accruing at the same coupon rate and payable at the same times as the old note for which it is being exchanged.
Guarantees	The old notes are and the new notes will be guaranteed (subject to certain customary guarantee release provisions set forth in the indentures governing the notes) on a senior and joint and several basis by RGHL, BP I and, subject to certain conditions and exceptions, by certain subsidiaries of BP I that are or will be borrowers under or guarantee or will guarantee the Senior Secured Credit Facilities. Non-U.S. subsidiaries of our U.S. subsidiaries do not and will not guarantee the notes. Each guarantor is 100% owned by RGHL. See Description of the 2009 Notes Note Guarantees, Description of the October 2010 Senior Secured Notes Senior Secured Note Guarantees, Description of the February 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the

August 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the 2009 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the February 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors,

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Description of the August 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the May 2010 Notes Note Guarantees, Description of the October 2010 Senior Notes Senior Note Guarantees, Description of the February 2011 Senior Notes Senior Note Guarantees, Description of the August 2011 Senior Notes and the New February 2012 Notes Senior Note Guarantees, Description of the May 2010 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Notes Certain Covenants Future Senior Note Guarantors, Description of the February 2011 Senior Notes Certain Covenants Future Senior Note Guarantors and Description of the August 2011 Senior Notes and the New February 2012 Notes Certain Covenants Future Senior Note Guarantors. The laws of certain jurisdictions may limit the enforceability of certain guarantees with respect to both the senior secured notes and senior notes, and security with respect to the senior secured notes. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes and Certain Insolvency and Other Local Law Considerations.

We refer to our senior secured credit facilities, which consist of $2,256 million in senior secured term loans, 246 million in senior secured term loans, and a $120 million and 80 million senior secured revolving credit facility and, following the consummation of the Graham Packaging Transaction, $2,000 million in incremental U.S. term loans borrowed to finance the Graham Packaging Acquisition, as the Senior Secured Credit Facilities.

Ranking

Senior Secured Notes

Each series of senior secured notes is a senior secured obligation of the Issuers and:

is effectively senior to all existing and future unsecured indebtedness of the Issuers to the extent of the value of the collateral securing such series of senior secured notes;

ranks *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers, including indebtedness under, or in respect to their guarantees of, each other series of senior secured notes, the senior notes and the Senior Secured Credit Facilities;

is effectively subordinated to the other First Lien Obligations (as defined in Description of the 2009 Notes Certain Definitions, Description of the October 2010 Senior Secured Notes Certain Definitions, Description of the February 2011 Senior Secured Notes Certain Definitions and Description of the August 2011 Senior Secured Notes Certain Definitions) of the Issuers, including amounts outstanding under the Senior Secured Credit Facilities, to the extent such First Lien Obligations are secured by property that does not also secure such series of senior secured notes to the extent of the value of all such property;

is senior in right of payment to all existing and future subordinated indebtedness of the Issuers, including the Issuers respective guarantees of the 2007 Senior Notes and the 2007 Senior Subordinated Notes; and

is effectively subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the subsidiaries of RGHL (including BP II) that is not a guarantor.

The guarantees related to each series of senior secured notes are senior obligations of each guarantor and:

are effectively senior to all existing and future unsecured indebtedness of the guarantors that have provided security interests in respect of their assets to the extent of the value of the collateral securing such series of senior secured notes;

rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor, including indebtedness under, or in respect to its guarantee of, each other series of senior secured notes, the senior notes and the Senior Secured Credit Facilities;

are effectively subordinated to the other First Lien Obligations (as defined in Description of the 2009 Notes Certain Definitions, Description of the October 2010 Senior Secured Notes Certain Definitions, Description of the February 2011 Senior Secured Notes Certain Definitions and Description of the August 2011 Senior Secured Notes Certain Definitions) of such guarantor (including indebtedness of such guarantor outstanding under, or with respect to its guarantee of, the Senior Secured Credit Facilities) to the extent such First Lien Obligations are secured by property that does not also secure the senior secured notes to the extent of the value of all such property; and

are senior in right of payment to all existing and future subordinated indebtedness of such guarantor, including such guarantor s guarantee of the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

Senior Notes

Each series of senior notes is a senior obligation of the Issuers and:

ranks *pari passu* in right of payment with all existing and future senior indebtedness of the Issuers, including indebtedness under, or in respect to their guarantees of, each other series of senior notes, the senior secured notes, the 2007 Senior Notes and the Senior Secured Credit Facilities;

is effectively subordinated to all existing and future secured indebtedness of the Issuers, including amounts outstanding under the 2007 Notes, each other series of senior notes, the senior secured notes and the Senior Secured Credit Facilities, to the extent of the value of the property securing such indebtedness;

is senior in right of payment to all existing and future subordinated indebtedness of the Issuers, including the Issuers respective guarantees of the 2007 Senior Subordinated Notes; and is effectively subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders, if any, of each of the subsidiaries of RGHL (including BP II) that is not a guarantor.

The guarantees related to each series of senior notes are senior obligations of each guarantor and:

rank *pari passu* in right of payment with all existing and future senior indebtedness of such guarantor, including indebtedness under, or in respect of its guarantee of, each other series of senior notes, the senior secured notes, the Senior Secured Credit Facilities and the 2007 Senior Notes;

are effectively subordinated to all existing and future secured indebtedness of such guarantor, including indebtedness of such guarantor outstanding under, or with respect to its guarantee of, the 2007 Notes, the senior secured notes and the Senior Secured Credit Facilities, to the extent of the value of the property securing such indebtedness; and

are senior in right of payment to all existing or future subordinated indebtedness of such guarantor, including such guarantor s guarantee of the 2007 Senior Subordinated Notes.

As of December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions, the RGHL Combined Group would have had:

$10,353 million aggregate principal amount of outstanding secured indebtedness. The RGHL Combined Group would have had 63 million and $35 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of secured indebtedness under certain local facilities; and

$17,516 million of indebtedness outstanding other than subordinated indebtedness, whether secured or unsecured, consisting of amounts outstanding under the Senior Secured Credit Facilities, the senior notes, the senior secured notes, the 2007 Senior Notes and the Pactiv Notes (in each case, including without duplication, the guarantees with respect thereto), certain local facilities and certain other local overdraft and local working capital facilities.

RGHL Combined Group refers to RGHL and its consolidated subsidiaries, including Graham Packaging, Dopaco and Pactiv, as a combined company, following the consummation of, and after giving pro forma effect to the 2012 Refinancing Transactions, the Graham Packaging Transaction, the Dopaco Acquisition, the Pactiv Transaction, the 2011 Refinancing Transactions and the financing portion of the Evergreen Transaction. For information regarding the 2012 Refinancing

Transactions, the Graham Packaging Transaction, the Dopaco Acquisition, the Pactiv Transaction, the 2011 Refinancing Transactions and the Evergreen Transaction, see The Transactions.

The senior notes and the related guarantees will constitute Senior Indebtedness (as defined in Description of the May 2010 Notes Certain Definitions, Description of the October 2010 Senior Notes Certain Definitions, Description of the February 2011 Senior Notes Certain Definitions and Description of the August 2011 Senior Notes and the New February 2012 Notes Certain Definitions) for purposes of the indenture governing the 2007 Senior Subordinated Notes and, as such, in a liquidation, dissolution or bankruptcy of the Issuers or the note guarantors, holders of the senior notes and related guarantees will be entitled to receive payment in full of such senior notes and related guarantees before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment, other than certain permitted junior securities, in respect of such guarantees.

However, because the senior notes and related guarantees will not, unlike the senior secured notes, the Senior Secured Credit Facilities and the 2007 Senior Notes, constitute Designated Senior Indebtedness for purposes of the indenture governing the 2007 Senior Subordinated Notes, the holders thereof have more rights than the holders of senior notes. Thus, holders of senior notes and related guarantees are not entitled to the benefit of certain provisions in the indenture governing the 2007 Senior Subordinated Notes relating to the subordination of the 2007 Senior Subordinated Notes that provide rights only to holders of Designated Senior Indebtedness (as defined therein), not Senior Indebtedness, including among other things, the benefits of delivering payment blockage notices or enforcing the turnover provisions of the indenture governing the 2007 Senior Subordinated Notes. Accordingly, holders of senior notes may recover less than holders of Designated Senior Indebtedness as a result thereof. See Description of the May 2010 Notes Ranking, Description of the October 2010 Senior Notes Ranking, Description of the February 2011 Senior Notes Ranking and Description of the August 2011 Senior Notes and the New February 2012 Notes Ranking.

Each series of senior notes and related guarantees rank *pari passu* in right of payment with each other series of our senior indebtedness, including the guarantees with respect thereto. Therefore, in the event that an Issuer or a guarantor of a series of senior notes becomes a debtor in a United States bankruptcy case, claims of holders of such series of senior notes and related guarantees will rank *pari passu* in right of payment with the claims of holders of the other series of senior notes and related guarantees, and in the event that claims under the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of such series senior notes and related guarantees will rank *pari passu* in right of payment with the unsecured portion of claims of holders of the guarantees of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities, in each case, including the guarantees with respect thereto.

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In addition, in such an event, we expect that claims of holders of senior notes and related guarantees will be senior in right of payment to the claims of holders of the guarantees of the 2007 Senior Subordinated Notes. However, because of the differences in the rights of the holders of the senior notes and the holders of Designated Senior Indebtedness, there can be no guarantee that a bankruptcy court would enforce the contractual subordination of the 2007 Subordinated Notes in favor of the senior notes in the same manner as the contractual subordination of the 2007 Senior Subordinated Notes in favor of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities under such circumstances.

As of December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions, the RGHL Combined Group would have had:

$4,256 million and 246 million of indebtedness outstanding under the Senior Secured Credit Facilities;

$5,125 million and 450 million of indebtedness outstanding under the secured notes;

$5,750 million of indebtedness outstanding under the senior notes;

480 million of indebtedness outstanding under the 2007 Senior Notes;

420 million of indebtedness outstanding under the 2007 Senior Subordinated Notes; and

$792 million of indebtedness outstanding under the Pactiv Notes.

Security

Senior Secured Notes

Subject to the terms of the security documents, each series of senior secured notes and the related guarantees are secured by a security interest granted on a first priority basis (subject to certain exceptions and to permitted liens) in certain assets of RGHL, BP I and certain of BP I s subsidiaries. These security interests are, subject to certain exceptions, of equal priority with the liens on such assets securing each other series of senior secured notes, the Senior Secured Credit Facilities and other future first lien obligations. BP II has also granted a second and third priority security interest in respect of the proceeds loans in relation to the 2007 Notes.

The collateral consists of substantially all the assets of the Issuers and the guarantors, including their capital stock and the capital stock of their direct subsidiaries, real property, bank accounts, investments, receivables, equipment and inventory, intellectual property and insurance policies, but excluding, among others (i) real property with a value equal to or less than

5 million or in which such entity has only a leasehold interest, (ii) a number of Pactiv s real properties, which are estimated to have a book value as of December 31, 2011 of approximately $74 million, (iii) intellectual property with a value of less than 1 million (unless subject to all-asset security documents), (iv) insurance

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policies that are not material to the RGHL Group as a whole, (v) equity of inactive subsidiaries with a book value of less than $100,000 and (vi) equity of subsidiaries that are not guarantors, are organized in jurisdictions in which no guarantor is organized and have (a) gross assets below 1.0% of the consolidated total assets of the RGHL Group and (b) EBITDA below 1.0% of the consolidated EBITDA of the RGHL Group.

The pledge of the securities of any first tier non-U.S. subsidiaries of our U.S. subsidiaries is also limited to 100% of their non-voting capital stock and 65% of their voting capital stock. First-tier non-U.S. subsidiaries refers to the subsidiaries of RGHL that are domiciled outside the United States that are directly owned by subsidiaries of RGHL that are domiciled in the United States. The senior secured notes are not secured by a pledge of (i) any of the assets of the non-U.S. subsidiaries of our U.S. subsidiaries or (ii) the capital stock of non-U.S. subsidiaries of our U.S. subsidiaries (other than first tier non-U.S. subsidiaries).

Liens on assets are also limited to the extent deemed necessary to comply with legal limitations, avoid significant tax disadvantages, comply with certain third party arrangements, satisfy fiduciary duties of directors and minimize fees, taxes and duties. Liens over assets are also not granted to the extent granting of such lien would have a material adverse effect on the ability of the relevant Issuer or guarantor to conduct business in the ordinary course.

In addition, the indentures governing the senior secured notes provide that any portion of the capital stock and other securities of any of our subsidiaries will be excluded from the collateral to the extent that it exceeds the maximum amount of such capital stock or other security that can be pledged to secure the senior secured notes without causing such subsidiary to be required to file separate financial statements with the SEC. This collateral cutback provision does not apply to BP I with respect to any series of senior secured notes. Under the SEC regulations in effect as of the issue date of the new senior secured notes, if the par value, book value or market value, whichever is greatest, of the capital stock or other securities of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of one of the series of senior secured notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. As a result, pursuant to the collateral cutback provision, the value of the capital stock of any of our subsidiaries that is equal to or greater than 20% of the aggregate principal amount of one of the series of senior secured notes would be excluded from the collateral securing such series of senior secured notes.

We estimate that the aggregate book value and market value of the capital stock of our subsidiaries, as of December 31, 2011 and measured in accordance with IFRS after giving effect to consolidation, are approximately $1.4 billion and $5 billion, respectively, which is equivalent to the book value and market value of the capital stock of our subsidiary BP I the ultimate parent of all of our other subsidiaries (other than BP II). While the capital stock of BP I s subsidiaries that is pledged to secure the senior secured notes is generally subject to the collateral cutback provision described above, the capital stock of BP I is not subject to the collateral cutback provision. Accordingly, the aggregate book value or market value of the capital stock of our pledged subsidiaries is equivalent to the book value or market value of the capital stock of BP I. We estimated the market value of the capital stock of BP I using the fair value less cost to sell methodology. Under this methodology, we used an EBITDA measure for each of our segments and a market-based EBITDA multiple for each segment to determine the estimated initial fair value of the capital stock of BP I, which was further adjusted for the net debt of BP I and its controlled entities.

The granting of a lien in an asset and the priority of any lien are subject to exceptions. We estimate that the assets of RGHL and its subsidiaries that are part of the collateral securing the secured notes have a book value greater than the principal amount of our outstanding secured indebtedness, which totaled $10,353 million, as of December 31, 2011 and measured in accordance with IFRS. See Description of the 2009 Notes Security, Description of the October 2010 Senior Secured Notes Security, Description of the February 2011 Senior Secured Notes Security, Description of the August 2011 Senior Secured Notes Security, Description of the 2009 Notes Certain Definitions Agreed Security Principles, Description of the October 2010 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the February 2011 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the August 2011 Senior Secured Notes Certain Definitions Agreed Security Principles, Description of the 2009 Notes Certain Covenants Future Collateral, Description of the October 2010 Senior Secured Notes Certain Covenants Future Collateral, Description of the February 2011 Senior Secured Notes Certain Covenants Future Collateral, Description of the August 2011 Senior Secured Notes Certain Covenants Future Collateral, Description of the 2009 Notes Certain Covenants Liens, Description of the October 2010 Senior Secured Notes Certain Covenants Liens, Description of the February 2011 Senior Secured Notes Certain Covenants Liens, Description of the August 2011 Senior Secured Notes Certain Covenants Liens, Description of the 2009 Notes Certain Definitions Permitted Liens, Description of the October 2010 Senior Secured Notes Certain Definitions Permitted Liens, Description of the February 2011 Senior Secured Notes Certain Definitions Permitted Liens, Description of the August 2011 Senior Secured Notes Certain Definitions Permitted Liens and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes .

Senior Notes	Not applicable.

Intercreditor Agreements

Senior Secured Notes	We are party to two intercreditor agreements that govern the relative rights of the obligors under our existing and future financing arrangements with respect to the collateral: (1) our intercreditor agreement, dated May 11, 2007, as amended from time to time, which sets forth the relative rights and obligations with respect to the holders of the senior secured notes, the lenders and other secured parties (including certain local facility providers and hedging counterparties) under the Senior Secured Credit Facilities and the holders of the 2007 Notes, or the 2007 UK Intercreditor Agreement , and (2) our intercreditor agreement, dated November 5, 2009, as amended from time to time, which sets forth the relative rights and obligations with respect to the holders of the senior secured notes, the lenders and other secured parties (including certain local facility providers and hedging counterparties) under the Senior Secured Credit Facilities, or the First Lien Intercreditor Agreement.
Senior Notes	Not applicable.

Optional Redemption

Senior Secured Notes	The Issuers may redeem some or all of the 2009 Notes at any time and from time to time on or after October 15, 2012, at the redemption prices described in this prospectus. Prior to October 15, 2012, the Issuers may redeem some or all of the 2009 Notes at a redemption price equal to 100% of the principal amount of the 2009 Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the 2009 Notes Optional Redemption. In addition, at any time prior to October 15, 2012, the Issuers may redeem up to 35% of the aggregate principal amount of the 2009 Notes with the proceeds of certain equity offerings at a redemption price of 107.750%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the 2009 Notes Optional Redemption. The Issuers may redeem some or all of the October 2010 Senior Secured Notes at any time and from time to time on or after October 15, 2014, at the redemption prices described in this prospectus. Prior to October 15, 2014, the Issuers may redeem some or all of the October 2010 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the October 2010 Senior Secured Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the October 2010 Senior Secured Notes Optional Redemption. In addition, at any time prior to October 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the October 2010 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.125%, plus accrued and unpaid interest, if any,

to the applicable redemption date. See Description of the October 2010 Senior Secured Notes Optional Redemption.

The Issuers may redeem some or all of the February 2011 Senior Secured Notes at any time and from time to time on or after February 15, 2016, at the redemption prices described in this prospectus. Prior to February 15, 2016, the Issuers may redeem some or all of the February 2011 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the February 2011 Senior Secured Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the February 2011 Senior Secured Notes Optional Redemption. In addition, at any time prior to February 15, 2014 the Issuers may redeem up to 35% of the aggregate principal amount of the February 2011 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 106.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the February 2011 Senior Secured Notes Optional Redemption.

The Issuers may redeem some or all of the August 2011 Senior Secured Notes at any time and from time to time on or after August 15, 2015, at the redemption prices described in this prospectus. Prior to August 15, 2015, the Issuers may redeem some or all of the August 2011 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the August 2011 Senior Secured Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the August 2011 Senior Secured Notes Optional Redemption. In addition, at any time prior to August 15, 2014 the Issuers may redeem up to 35% of the aggregate principal amount of the August 2011 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the August 2011 Senior Secured Notes Optional Redemption.

Senior Notes

The Issuers may redeem some or all of the May 2010 Notes at any time and from time to time on or after May 15, 2014, at the redemption prices described in this prospectus. Prior to May 15, 2014, the Issuers may redeem some or all of the May 2010 Notes at a redemption price equal to 100% of the principal amount of the May 2010 Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the May 2010 Notes Optional Redemption. In addition, at any time prior to May 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the May 2010 Notes with the proceeds of certain equity offerings at a redemption price of 108.500%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the May 2010 Notes Optional Redemption.

The Issuers may redeem some or all of the October 2010 Senior Notes at any time and from time to time on or after October 15, 2014, at the redemption prices described in this prospectus. Prior to

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October 15, 2014, the Issuers may redeem some or all of the October 2010 Senior Notes at a redemption price equal to 100% of the principal amount of the October 2010 Senior Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the October 2010 Senior Notes Optional Redemption. In addition, at any time prior to October 15, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the October 2010 Senior Notes with the proceeds of certain equity offerings at a redemption price of 109.000%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the October 2010 Senior Notes Optional Redemption.

The Issuers may redeem some or all of the February 2011 Senior Notes at any time and from time to time on or after February 15, 2016, at the redemption prices described in this prospectus. Prior to February 15, 2016, the Issuers may redeem some or all of the February 2011 Senior Notes at a redemption price equal to 100% of the principal amount of the February 2011 Senior Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the February 2011 Senior Notes Optional Redemption. In addition, at any time prior to February 15, 2014, the Issuers may redeem up to 35% of the aggregate principal amount of the February 2011 Senior Notes with the proceeds of certain equity offerings at a redemption price of 108.250%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the February 2011 Senior Notes Optional Redemption.

The Issuers may redeem some or all of the August 2011 Senior Notes or some or all of the February 2012 Notes at any time and from time to time on or after August 15, 2015, at the redemption prices described in this prospectus. Prior to August 15, 2015, the Issuers may redeem some or all of the August 2011 Senior Notes or some or all of the February 2012 Notes at a redemption price equal to 100% of the principal amount of the August 2011 Senior Notes or the February 2012 Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium described in this prospectus. See Description of the August 2011 Senior Notes and the New February 2012 Notes Optional Redemption. In addition, at any time prior to August 15, 2014, the Issuers may redeem up to 35% of the aggregate principal amount of the August 2011 Senior Notes or the February 2012 Notes with the proceeds of certain equity offerings at a redemption price of 109.875%, plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the August 2011 Senior Notes and the New February 2012 Notes Optional Redemption.

Redemption for Taxation Reasons

In the event of certain developments affecting taxation, the Issuers may redeem all, but not less than all, of each series of the notes at 100% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the 2009 Notes

Redemption for Taxation Reasons,

Description of the October 2010 Senior Secured Notes Redemption for Taxation Reasons, Description of the February 2011 Senior Secured Notes Redemption for Taxation Reasons, Description of the August 2011 Senior Secured Notes Redemption for Taxation Reasons, Description of the May 2010 Notes Redemption for Taxation Reasons, Description of the October 2010 Senior Notes Redemption for Taxation Reasons, Description of the February 2011 Senior Notes Redemption for Taxation Reasons and Description of the August 2011 Senior Notes and the New February 2012 Notes Redemption for Taxation Reasons.

Change of Control

If a change of control occurs, each holder of the notes may require us to repurchase all or a portion of such holder s notes at a purchase price of 101% of the principal amount of such notes, plus accrued and unpaid interest, if any, to the date of repurchase. The term Change of Control is defined under Description of the 2009 Notes Change of Control, Description of the October 2010 Senior Secured Notes Change of Control, Description of the February 2011 Senior Secured Notes Change of Control, Description of the August 2011 Senior Secured Notes Change of Control, Description of the May 2010 Notes Change of Control, Description of the October 2010 Senior Notes Change of Control, Description of the February 2011 Senior Notes Change of Control and Description of the August 2011 Senior Notes and the New February 2012 Notes Change of Control.

Certain Covenants

Separate indentures govern the terms of each series of the old notes. The new notes (other than the new February 2012 Notes) will be issued under the same indenture governing the old notes of the same series. The new February 2012 Notes will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer, the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes.

The old February 2012 Notes that are not tendered in the exchange offer will continue to be governed by the indenture governing the old February 2012 Notes, but, if the proposed amendments become effective, the holders of any old February 2012 Notes that are not tendered will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.

The indentures that will govern each series of new notes will contain covenants that, among other things, limit the ability of BP I, BP II and their restricted subsidiaries to:

- incur additional indebtedness and issue disqualified and preferred stock;

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- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of BP I, BP II and their respective restricted subsidiaries, enter into arrangements that limit any restricted subsidiary s ability to pay dividends or other payments to BP I, BP II, or any other restricted subsidiary;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of their assets and the assets of their subsidiaries on a consolidated basis; and
- with respect to the senior secured notes, impair the security interests.

These covenants are subject to a number of important limitations and exceptions as described under Description of the 2009 Notes Certain Covenants, Description of the October 2010 Senior Secured Notes Certain Covenants, Description of the February 2011 Senior Secured Notes Certain Covenants, Description of the August 2011 Senior Secured Notes Certain Covenants, Description of the May 2010 Notes Certain Covenants, Description of the October 2010 Senior Notes Certain Covenants, Description of the February 2011 Senior Notes Certain Covenants and Description of the August 2011 Senior Notes and the New February 2012 Notes Certain Covenants.

No Public Market

The new notes will be new securities for which there is currently no public market.

Governing Law of the Indentures, the Notes, the Guarantees, the Intercreditor Agreements and the Security Documents	The indentures, the senior secured notes, the senior notes, the related guarantees, and certain of the intercreditor agreements are governed by the laws of the State of New York. The intercreditor agreements not governed by the laws of the State of New York are governed by the laws of England. For the avoidance of doubt, the provisions of articles 86 to 94-8 of the Luxembourg law of August 10, 1915, as amended, on commercial companies are excluded. The security documents related to the senior secured notes, are, in most cases, governed by the laws of the jurisdiction in which the relevant Issuer or guarantor is organized with certain exceptions including, as necessary, in respect of security over equity interests, bank accounts and receivables or security documents in respect of property located in Quebec. Accordingly, the security documents are subject to the laws of multiple jurisdictions. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult, Description of the 2009 Notes Governing Law, Description of the October 2010 Senior Secured Notes Governing Law, Description of the February 2011 Senior Secured Notes Governing Law, Description of the August 2011 Senior Secured Notes Governing Law and Certain Insolvency and Other Local Law Considerations.

Presentation of Financial Information

The segments that comprise the RGHL Group have not been owned, directly or indirectly, by a single company that consolidates their financial results or operates them as a single combined business for all the periods for which financial results are presented in this prospectus. RGHL, through an indirect wholly-owned subsidiary, acquired (i) SIG, on May 11, 2007 as part of the SIG Acquisition, (ii) our Reynolds consumer products business and Closures, on November 5, 2009, as part of the RGHL Transaction, (iii) Evergreen, on May 4, 2010, as part of the Evergreen Transaction, (iv) our Reynolds foodservice packaging business, on September 1, 2010, as part of the Reynolds Foodservice Acquisition, (v) Pactiv on November 16, 2010, as part of the Pactiv Transaction, (vi) Dopaco, on May 2, 2011, as part of the Dopaco Acquisition and (vii) Graham Packaging, on September 8, 2011, as part of the Graham Packaging Acquisition. Graham Packaging has become the sixth segment of the RGHL Group. In addition, as a result of the Initial Evergreen Acquisition, the beverage packaging business of International Paper Company, or IP s Bev Pack Business, is our predecessor for accounting purposes.

The table below summarizes the financial statements and information that are presented herein as well as the applicable accounting standards pursuant to which such financials statements and information were prepared:

	Financial Information				
	2011	**2010**	**2009**	**2008**	**2007**
RGHL Group	Financial Statements as of and for the year ended December 31, 2011 (Audited IFRS)*	Financial Statements as of and for the year ended December 31, 2010 (Audited IFRS)**	Financial Statements for the year ended December 31, 2009 (Audited IFRS) Financial Statements as of December 31, 2009 (Audited IFRS)	Selected financial information as of and for the year ended December 31, 2008 (Audited IFRS)***	Selected financial information as of and for the year ended December 31, 2007 (Audited IFRS)****
BP I(1)	Financial Statements as of and for the year ended December 31, 2011 (Audited IFRS)*	Financial Statements as of and for the year ended December 31, 2010 (Audited IFRS)**	Financial Statements for the year ended December 31, 2009 (Audited IFRS) Financial Statements as of December 31, 2009 (Audited IFRS)	Selected financial information as of and for the year ended December 31, 2008 (Audited IFRS)***	Selected financial information as of and for the year ended December 31, 2007 (Audited IFRS)****
Beverage Packaging Holdings Group(2)	Financial Statements as of	Financial Statements as of	Financial Statements for	Selected financial	Selected financial

	and for the year ended December 31, 2011 (Audited IFRS)*	and for the year ended December 31, 2010 (Audited IFRS)**	the year ended December 31, 2009 (Audited IFRS)	information as of and for the year ended December 31, 2008 (Audited IFRS)***	information as of and for the year ended December 31, 2007 (Audited IFRS)****
			Financial Statements as of December 31, 2009 (Audited IFRS)		
RGHL Group Predecessor/ North American Operations of IP s Bev Pack Business	N/A	N/A	N/A	N/A	Selected financial information for the one month period from January 1, 2007 to January 31, 2007 (Audited U.S. GAAP)

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	Financial Information				
	2011	2010	2009	2008	2007
Pactiv(3)	N/A	Financial information of Pactiv for the period from January 1, 2010 to November 15, 2010, as extracted from Pactiv s accounting records (Unaudited U.S. GAAP) Financial Statements as of and for the three and nine month periods ended September 30, 2010 (Unaudited U.S. GAAP)	Financial Statements as of and for the year ended December 31, 2009 (Audited U.S. GAAP)	Financial Statements as of and for the year ended December 31, 2008 (Audited U.S. GAAP)	Financial Statements for the year ended December 31, 2007 (Audited U.S. GAAP)
Dopaco(3)	Financial Statements as of and for the 126-day period ended May 1, 2011 (Audited U.S. GAAP)	Financial Statements as of and for the year ended December 26, 2010 (Audited U.S. GAAP)	Financial Statements for the year ended December 27, 2009 (Audited U.S. GAAP)	N/A	N/A
Graham Packaging(3)	Financial Statements for the three and six month periods ended June 30, 2011 and as of June 30, 2011 (Unaudited U.S. GAAP) Financial information of Graham Packaging for the period from July 1, 2011 to September 7, 2011, as	Financial Statements as of and for the year ended December 31, 2010 (Audited U.S. GAAP)	Financial Statements as of and for the year ended December 31, 2009 (Audited U.S. GAAP)	Financial Statements for the year ended December 31, 2008 (Audited U.S. GAAP) Financial Statements as of December 31, 2008 (Audited U.S. GAAP)	N/A

extracted from
Graham
Packaging s
accounting
records
(Unaudited U.S.
GAAP)

(1) The financial statements of BP I are included in this prospectus pursuant to Rule 3-16 of Regulation S-X because the book value of the capital stock of BP I constitutes a substantial portion of the collateral of each series of senior secured notes being registered.

(2) The financial statements of the Beverage Packaging Holdings Group, which consists of BP I, BP I s consolidated subsidiaries and BP II, are included in this prospectus to satisfy reporting requirements under the indentures governing the notes.

(3) The financial statements of Pactiv, Dopaco and Graham Packaging are included in this prospectus pursuant to Rule 3-05 of Regulation S-X because each of these acquired businesses constitutes a significant subsidiary.

* Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

** Includes the operations of Pactiv for the period from November 16, 2010 to December 31, 2010.

*** Includes a full year of operations for Evergreen and SIG and ten months of operations for Closures, the Reynolds consumer products business prior to the Pactiv Acquisition and the Reynolds foodservice packaging business prior to the Pactiv Acquisition.

**** Includes 11 months of operations for Evergreen (including five months of operations of Blue Ridge Holding Corp. and its consolidated subsidiaries) and seven months of operations for SIG.

Financial statements not included in this prospectus.

RGHL

On January 31, 2007, Rank Group Limited, an entity that is wholly-owned by our strategic owner, Mr. Graeme Hart, commenced the acquisition of IP s Bev Pack Business. This process occurred in stages from January 31, 2007 to April 30, 2007. See The Transactions The Initial Evergreen Acquisition. On May 4, 2010, Rank Group s investment in Evergreen (which was IP s Bev Pack Business prior to the Initial Evergreen Acquisition) was acquired by the RGHL Group. See The Transactions The Evergreen Transaction. Through the purchase of Evergreen, the RGHL Group became the owner of IP s Bev Pack Business which is our predecessor for accounting purposes. Prior to the Initial Evergreen Acquisition, the RGHL Group had no significant operations.

In May 2007, RGHL acquired SIG Combibloc Group AG (formerly known as SIG Holding AG), or SIG Combibloc, a company that was listed on the SIX Swiss Exchange, pursuant to a public tender offer that was concluded on May 11, 2007 and a subsequent squeeze-out of minority shareholders that was completed on November 7, 2007. See The Transactions The SIG Transaction.

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

On November 16, 2010, RGHL acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion. In connection with the Pactiv Acquisition, we also paid additional amounts for the cancellation of outstanding stock options and other equity-based awards. Pactiv had historically prepared its financial statements in accordance with the generally accepted accounting principles in the United States of America, or U.S. GAAP. See The Transactions The Pactiv Transaction.

On May 2, 2011, RGHL acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. Dopaco s combined financial statements included elsewhere in this prospectus were prepared on a carve-out basis and are in accordance with U.S. GAAP. See The Transactions The Dopaco Acquisition.

On September 8, 2011, RGHL acquired Graham Packaging Company Inc., or Graham Company, for a total enterprise value, including net debt, of $4.5 billion. In connection with the Graham Packaging Acquisition, we also paid additional amounts for the cancellation of outstanding stock options and other equity-based awards and the satisfaction of income tax receivable agreements with certain of Graham Company s pre-initial public offering shareholders. Graham Company had historically prepared its financial statements in accordance with U.S. GAAP. Graham Holdings, an indirect wholly-owned subsidiary of RGHL and Graham Company, suspended its reporting obligations under the Exchange Act and has ceased to file any reports with the SEC. See The Transactions The Graham Packaging Transaction.

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

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

We account for business combinations, other than business combinations under common control, using the purchase method of accounting. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the acquisition, with any excess purchase price allocated to goodwill. We have accounted for the Pactiv Acquisition, the Dopaco Acquisition and the Graham Packaging Acquisition using the purchase method of accounting.

The audited financial statements of the RGHL Group as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 are included elsewhere in this prospectus. The audited financial statements of the RGHL Group as of December 31, 2008 and 2009 and for the years ended December 31, 2008 and 2007 are not included in this prospectus.

The selected financial data of the North American operations of IP s Bev Pack Business for the period from January 1 to January 31, 2007 have been derived from the North America operations of IP s Bev Pack Business audited combined financial statements, which are not included in this prospectus.

Pactiv

The audited consolidated financial statements of Pactiv as of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009 are included elsewhere in this prospectus. The interim consolidated financial statements of Pactiv as of September 30, 2010 and for the three and nine months ended September 30, 2009 and 2010, included in this prospectus, are unaudited. Pactiv has historically prepared its financial statements in accordance with U.S. GAAP. Upon the consummation of the Pactiv Acquisition, Pactiv no longer separately reports its financial statements, but rather, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

Dopaco

The audited carve-out combined financial statements of Dopaco as of May 1, 2011 and December 26, 2010 and for the 126-day period ended May 1, 2011 and the years ended December 26, 2010 and December 27, 2009 are included elsewhere in this prospectus. Dopaco s combined financial statements included elsewhere in this prospectus were prepared on a carve-out basis and are in accordance with U.S. GAAP. Following the consummation of the Dopaco Acquisition, Dopaco no longer separately reports its financial statements, but rather, beginning from May 2, 2011, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

Graham Packaging

The audited financial statements of Graham Packaging as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 are included elsewhere in this prospectus. The audited financial statements of Graham Packaging as of December 31, 2007 and 2008 and for the year ended

December 31, 2007, are not included in this prospectus. The interim financial statements of Graham Packaging as of June 30, 2011 and for the three and six months ended June 30, 2010 and 2011, included elsewhere in this prospectus, are unaudited. Graham Packaging s financial statements have been prepared in accordance with U.S. GAAP. Following the consummation of the Graham Packaging Acquisition, Graham Packaging no longer separately reports its financial statements, but rather, beginning on September 8, 2011, its financial results are included in the RGHL Group s financial statements in accordance with the RGHL Group s accounting principles and policies.

Non-GAAP Financial Measures

In this prospectus, we utilize certain non-GAAP financial measures and ratios, including earnings before interest, tax, depreciation and amortization, or EBITDA and Adjusted EBITDA, each with the meanings and as calculated as set forth in Summary Summary Historical and Pro Forma Combined Financial Information, as well as leverage and coverage ratios and the aggregation of predecessor and successor period financial statements, 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 and, in certain cases, because those measures are used to determine compliance with covenants in our debt agreements. 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 our historical financial statements prepared in accordance with IFRS and U.S. GAAP, as applicable, included in this prospectus. See Risk Factors Risks Related to Our Business Our unaudited pro forma financial information is not intended to reflect what our actual results of operations and financial condition would have been had the RGHL Group been a consolidated company with Graham Packaging, Dopaco and Pactiv for the periods presented and, therefore these results may not be indicative of our future operating performance and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes The calculation of EBITDA pursuant to the indentures governing the notes permits certain estimates and assumptions that may differ materially from actual results, and the estimated savings expected from our cost saving plans may not be achieved.

Currency Presentation

References in this prospectus to dollars or $ are to the lawful currency of the United States of America. References in this prospectus to euro or are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

IFRS does not require that our financial reporting be presented in a particular currency. Based on our current business mix and other facts and circumstances that our board of directors considers relevant, we have determined that the dollar is currently the most appropriate currency for our financial reporting.

Summary of Certain Differences Between IFRS and U.S. GAAP

The financial information of the RGHL Group and the summary unaudited pro forma combined financial information presented in this prospectus has been prepared and presented in accordance with IFRS. Certain differences exist between IFRS and U.S. GAAP, some of which may be material to the financial information herein. Certain financial information related to Graham Packaging, Dopaco and Pactiv has been preliminarily converted from U.S. GAAP to IFRS. See Unaudited Pro Forma Combined Financial Information.

The table below summarizes the material differences between IFRS and U.S. GAAP.

The differences highlighted below reflect only those differences in accounting policies in force at the time of the preparation of the IFRS financial information. We have not attempted to identify future differences between U.S. GAAP and IFRS as a result of prescribed changes in accounting standards or transactions or

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events that may occur in the future and that could have a significant impact on the presentation below. You should consult your own professional advisor for an understanding of the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information presented in this prospectus.

Topic	IFRS	U.S. GAAP
Business Combinations	Business combinations are accounted for on the basis of the purchase method. However, this excludes businesses brought together to form a joint venture, business combinations involving businesses or entities under common control or involving two or more mutual entities and business combinations in which separate entities or businesses are brought together to form a reporting entity by contract alone without obtaining an ownership interest. IFRS provides a choice in respect of the initial measurement, as at the date of acquisition, of non-controlling interests (previously referred to as minority interests). The initial recognition of a non-controlling interest can be measured at either: (a) its percentage of the fair value of the net assets of the acquired entity; or (b) its percentage of the fair value of the identifiable net assets of the acquired entity. This election is applied on an acquisition by acquisition basis. The cost of an intangible asset acquired in a business combination is its fair value. Fair value reflects market participants views about the probability of future economic benefits. Fair value is measured using valuation techniques if there is no active market for the acquired intangible asset. There is no specific guidance under IFRS on valuation approaches for intangible assets. Unlike under U.S. GAAP, push down accounting, whereby fair value adjustments are recognized in the financial statements of the acquiree, is not required.	Business combinations are accounted for by the purchase method only. In the event of combinations of entities under common control the accounting for the combination is done on a historical cost basis in a manner similar to a pooling of interests for all periods presented. Unlike IFRS, U.S. GAAP requires that the initial measurement as of the date of acquisition of non-controlling interests represents the percentage of the fair value of the net assets of the acquired entity. Like IFRS, intangible assets acquired in a business combination are recognized initially at fair value. Fair value reflects market participants views about the probability of future economic benefits, and fair value is measured using valuation techniques if there is no active market for the acquired intangible asset. However, unlike IFRS, U.S. GAAP includes guidance on valuation approaches for identifiable intangible assets. Under U.S. GAAP, push down accounting is required whereby fair value adjustments are recognized in the financial statements of the acquiree.

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Topic	IFRS	U.S. GAAP
Post-Retirement Benefits	A liability is recognized for an employer s obligation under a defined benefit plan. The liability and expense are measured actuarially using the projected unit credit method. If plan assets exceed the defined benefit obligation, the amount of any net asset recognized is limited to available future benefits from the plan and unrecognized actuarial losses and past service costs. The discount rate to be used for determining defined benefit obligations is by reference to market yields at the balance sheet date in high-quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations. Actuarial gains and losses are recognized either in profit or loss using the corridor approach, whereby gains and losses are not recognized until they exceed 10% of the greater of the plan assets or funding obligations, or immediately in other comprehensive income. Amounts recognized in other comprehensive income are not subsequently recorded within profit or loss. When recognized in the profit or loss, the gains and losses are recognized over the employees expected average remaining service lives, although faster recognition is permitted. If the benefit has vested, immediate recognition is required. Plan assets should always be measured at fair value and fair value should be used to determine the expected return on plan assets.	Like IFRS, a liability is recognized for an employer s obligation under a defined benefit plan. The liability and expense generally are measured actuarially using the projected unit credit method for pay-related plans. However, unlike IFRS, the liability and expense are measured for non-pay-related plans using the traditional unit credit method which excludes the impact of future increases in salary. Additionally, unlike IFRS, U.S. GAAP does not restrict the recognition of an asset in respect of a defined benefit plan. Under U.S. GAAP, the discount rate to be used for determining defined benefit obligations is based on the rate at which the obligation could be effectively settled. SEC guidance directs entities to look to the rate of return on high-quality fixed-income investments with similar durations to those of the benefit obligation and further defines high-quality as an investment which has received one of the two highest ratings given by recognized rating agencies. U.S. GAAP permits entities to either record actuarial gains and losses in profit or loss during the period they were incurred or to defer actuarial gains and losses through the use of the corridor approach or any systematic method that results in faster recognition than the corridor approach. Regardless of whether actuarial gains and losses are recognized immediately or are amortized in a systematic fashion, they are ultimately recorded within the profit or loss. Like IFRS, plan assets should be measured at fair value for balance sheet recognition and for disclosure purposes. However, unlike IFRS, for the purposes of determining the expected return on plan assets, plan assets can be measured at either fair value or a calculated value that

		recognizes changes in fair value in a systematic and rational manner over not more than five years.
Consolidation	Consolidation is based on a control model. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. For control to exist an entity must have the ability to have majority power and be receiving benefits. IFRS requires control to be assessed using a power-to-control model or a de facto control model. Potential voting rights that are currently exercisable are considered in assessing control.	Consolidation is based on a controlling financial interest model, which differs in certain respects from IFRS. For non-variable interest entities, control is the continuing power to govern the financial and operating policies of an entity, like IFRS. However, unlike IFRS, there is no explicit linkage between control and ownership benefits. Potential voting rights are not considered in assessing control for non-variable interest entities under U.S. GAAP.

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Topic	IFRS	U.S. GAAP
	IFRS requires that uniform accounting policies are used throughout the consolidated group. A special purpose entity, or SPE , is an entity created to accomplish a narrow and well-defined objective. SPEs are consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity. Control may arise through the predetermination of the activities of the SPE or otherwise. The application of the control concept requires judgment of all relevant factors, including the purpose of the SPE, any autopilot mechanisms, where the majority of the benefits go and what entity retains the majority of residual or ownership risks. IFRS does not have a concept of variable interest entities, or VIEs , or qualifying SPEs, or QSPEs .	There is no requirement to use uniform accounting policies within the consolidated group under U.S. GAAP. Although U.S. GAAP has the concepts of VIEs and QSPEs, which may meet the definition of an SPE under IFRS, the control model that applies to VIEs and QSPEs differs from the control model that applies to SPEs under IFRS. Additionally, unlike IFRS, entities are evaluated as VIEs based on the amount and characteristics of their equity investment at risk and not on whether they have a narrow and well-defined objective.
Goodwill	After the initial recognition, the goodwill acquired in a business combination is measured at cost less any accumulated impairment loss. Goodwill is not required to be amortized. An impairment review of Cash Generating Units, or CGUs , with allocated goodwill is required annually or whenever an indication of impairment exists. The impairment review does not need to take place at the balance sheet date. If newly acquired goodwill is allocated to a CGU that has already been tested for impairment during the period, a further impairment test is required before the balance sheet date. A one-step impairment test is performed. The recoverable amount of the CGU (i.e. the higher of its fair value less costs to sell and its value in use) is compared to its carrying amount. The impairment loss is recognized in operating results as the excess of the carrying amount over the recoverable amount. Impairment is allocated first to goodwill. Allocation is made on a pro rata basis to the CGU s assets if the impairment loss exceeds the book value of goodwill.	Like IFRS, goodwill is not amortized but is tested for impairment annually. Goodwill is reviewed for impairment, at the reporting unit level, at least annually or whenever events or changes in circumstances indicate that the recoverability of the carrying amount should be assessed. A two-step impairment test is required: (1) The fair value and the carrying amount of the reporting unit including goodwill are compared. Goodwill is considered to be impaired if the fair value of the reporting unit is less than its book value; and (2) If goodwill is determined to be impaired based on step one, goodwill impairment is measured as the excess of the carrying amount of goodwill over its implied fair value. The implied fair value of goodwill is determined by calculating the fair value of the various assets and liabilities included in the reporting unit in the same manner as goodwill is determined in a business combination. The impairment charge is included as a reduction to operating income.

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Topic	IFRS	U.S. GAAP
Property, Plant and Equipment	Property, plant and equipment comprises tangible items held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, that are expected to be used during more than one accounting period. Software that is not integral to the operation of the related hardware does not qualify as property, plant and equipment. Instead it is classified as an intangible asset. Fixed assets are recorded at cost or as revalued to market. If carried at revalued amounts, assets should be annually revalued to match the carrying amount of such assets with the fair values. Foreign exchange gains or losses relating to the procurement of property, plant and equipment, under very restrictive conditions, can be capitalized as part of the asset. Estimates of useful life and residual value, and the method of depreciation, are reviewed at least at each annual reporting date. Any changes are accounted for prospectively as a change in estimate. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is depreciated separately. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset.	Property, plant and equipment is defined similarly to IFRS; however, under U.S. GAAP computer software is often included in property, plant and equipment. Unlike IFRS, revaluation of fixed assets is prohibited under U.S. GAAP, except in connection with purchase accounting. All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement. Unlike IFRS, estimates of useful life and residual value, and the method of depreciation, are reviewed only when events or changes in circumstances indicate that the current estimates or depreciation method no longer are appropriate. Any changes are accounted for prospectively as a change in estimate. Component depreciation is permitted by U.S. GAAP, but not required. Like IFRS, borrowing costs incurred while a qualifying asset is being prepared for its intended use form part of the cost of that asset. However, U.S. GAAP allows for more judgment in determination of the capitalization rate that could lead to differences in the amount of costs capitalized.
Impairment Testing	An entity shall assess at each reporting date whether there is any indication that an asset/CGU may be impaired. The impairment loss is the difference between the asset s/CGU s carrying amount and its recoverable amount. The recoverable amount is the higher of the asset s/CGU s fair value less costs to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset	Like IFRS, impairment testing is required when there is an indication of impairment. An impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the

and from its disposal at the end of its useful life.	asset (asset group).
	An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is determined based on discounted cash flows).
The impairment loss recognized in prior periods for an asset shall be reversed if there has been a change in the estimates used to determine the asset s/CGU s recoverable amount since the last impairment loss was recognized. Impairment losses on goodwill recognized in a prior period cannot be reversed.	Unlike IFRS, reversal of impairment losses recognized in a prior period is prohibited under U.S. GAAP.

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Topic	IFRS	U.S. GAAP
Stock-Based Compensation	The fair value of shares and options awarded to employees is recognized over the period to which the employees services relate. The award is presumed to be for past services if it is unconditional without any performance criteria. An entity should treat each installment of a graded vesting award as a separate share option grant. This means that each installment will be separately measured and attributed to expense, resulting in accelerated recognition of total expense. Employers social security liability arising from share-based payment transactions is recognized over the same period or periods as the share-based payment charge.	Like IFRS, the fair value of stock-based compensation is recognized over the requisite service period, which may be explicit, implicit or derived depending on the terms of the awards (e.g. service conditions, market conditions, performance conditions or a combination of conditions). Unlike IFRS, entities are allowed to make an accounting policy choice regarding recognition of an award with service conditions and a graded vesting schedule. Specifically, an entity can elect to recognize compensation expense: on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance multiple awards; or on a straight-line basis over the requisite service period for the entire award (i.e. over the requisite service period of the last separately vesting portion of the award). Employer payroll taxes due on employee stock-based compensation are recognized as an expense on the date of the event triggering the measurement and payment of the tax to the taxing authority (generally the exercise date and vesting date for options and restricted stock, respectively).
Leases	A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of the leased asset from the lessor to the lessee; title to the asset may or may not transfer. IFRS applies a substance over legal form approach and requires judgment. An operating lease is a lease other than a finance lease.	Similar concepts are generally applied under U.S. GAAP when determining whether a lease is a capital (finance) lease to a lessee. However, U.S. GAAP provides explicit quantitative thresholds that define when certain of these criteria are met. An operating lease is a lease other than a finance lease.

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Topic	IFRS	U.S. GAAP
Income Taxes	Income taxes are calculated using the tax rates that are either enacted or substantively enacted at the balance sheet date. Deferred tax assets should be recognized when it is probable (i.e. more likely than not) that they will be utilized. Deferred tax assets and liabilities are classified as non-current on the balance sheet. A deferred tax liability (asset) is recognized for the difference in tax bases between jurisdictions as a result of an intra-group transfer of assets. Unlike U.S. GAAP, IFRS does not specifically address uncertain tax positions. In certain circumstances where the uncertain tax positions lead to future expected payments to settle, they may be recognized as part of current tax liabilities using a probability weighted or best estimate approach.	Income taxes are calculated using enacted tax rates at the balance sheet date. Deferred tax assets are recognized in full, with valuation allowances established to reduce the asset to an amount considered more likely than not to be realized. Unlike IFRS, deferred tax assets and liabilities are separated into current and non-current based on the nature of assets and liabilities causing a temporary difference and reported as such in the balance sheet if an entity presents a classified balance sheet. Unlike IFRS, a deferred tax liability (asset) is not recognized for the difference in tax bases between jurisdictions as a result of an intra-group transfer of assets. U.S. GAAP has specific guidance for accounting for and disclosure of uncertain tax positions which requires that they be measured using a cumulative probability approach. Uncertain tax positions are reported in other non-current liabilities.
Financial Instruments	A derivative is defined as a financial instrument (1) whose value changes in response to changes in a specified underlying security, (2) requires little or no net investment and (3) is settled at a future date. Evaluating whether a transfer of a financial asset qualifies for derecognition requires consideration of whether substantially all risks and rewards and, in certain circumstances control, has been transferred. IFRS does not allow the use of the short-cut method and, therefore, requires for all hedge accounting relationships that an entity demonstrate at inception and in subsequent periods that the hedge is expected to be highly effective. An embedded derivative is separated from the host contract if it is determined that the	Derivatives are defined similarly to IFRS; however, U.S. GAAP also requires that the derivative contract provide for net settlement. The derecognition model for transfers of financial assets focuses on surrendering control over the transferred assets. The transferor has surrendered control over transferred assets only if certain conditions are met. Unlike IFRS, U.S. GAAP provides for the use of a short-cut (effectiveness is assumed) method for applying hedge accounting when certain conditions are met. Like IFRS, determining whether an embedded derivative is clearly and closely related to the host contract requires the nature of the host contract and the

embedded derivative is not closely related to the host contract. An evaluation of the nature (i.e. economic risks and characteristics) of the host contract and the underlying derivative must be made.	underlying derivative to be considered. However, the U.S. GAAP guidance for the term clearly and closely related differs from the IFRS guidance and as a result, certain embedded derivatives recognized under IFRS may not be recognized under U.S. GAAP.

Topic	IFRS	U.S. GAAP
Inventories	Inventories are measured at the lower of cost and net realizable value. The cost of inventory is determined using the FIFO (first-in, first-out) or weighted average cost method. The LIFO (last-in, first-out) method is prohibited. The same cost formula is applied to all inventories having a similar nature and use to the entity. Net realizable value is the estimated selling price less the estimated costs of completion and sale. If the net realizable value of an item that has been written down increases subsequently, then the write-down is reversed.	Inventories are measured at the lower of cost and market. Unlike IFRS, the cost of inventory can be determined using the LIFO method in addition to the FIFO or weighted average method. The same cost formula need not be applied to all inventories having a similar nature and use to the entity. Net realizable value is the estimated selling price less the estimated costs of completion and sale. Unlike IFRS, market is replacement cost limited by net realizable value (ceiling) and net realizable value less a normal profit margin (floor). Under U.S. GAAP, a write-down of inventory to market is not reversed for subsequent recoveries in value.
Provisions	Provisions relating to present obligations from past events are recorded if an outflow of resources is probable and can be reliably estimated. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The anticipated cash flows are discounted using a pre-tax discount rate (or rates) that reflect(s) current market assessments of the time value of money and those risks specific to the liability if the effect is material. If a range of estimates is predicted and no amount in the range is more likely than any other amount in the range, the mid-point of the range is used to measure the liability.	Specific rules exist for the recognition of employee termination costs, environmental liabilities and loss contingencies. Unlike IFRS, if a range of estimates is present and no amount in the range is more likely than any other amount in the range, the minimum (rather than the mid-point) amount is used to measure the liability. Unlike IFRS, a provision is only discounted when the timing of the cash flows is fixed. Differences may arise in the selection of the discount rate, particularly in the area of asset retirement obligations.
Debt Issuance Costs	Debt issuance costs are capitalized and presented in the balance sheet as a deduction from the carrying value of the borrowings. The deferred costs are amortized to the income statement using the effective interest method.	Like IFRS, debt issuance costs are capitalized. However, unlike IFRS, debt issuance costs are classified on the balance sheet as an asset. Like IFRS, the deferred costs are amortized to the income statement using the effective interest method.

Summary Historical and Pro Forma Combined Financial Information

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

The summary historical and pro forma combined financial information should be read together with the respective financial statements and the notes thereto, along with the Glossary of Selected Terms, Summary Presentation of Financial Information, Risk Factors, Capitalization, Unaudited Pro Forma Combined Financial Information, Selecte Historical Consolidated and Historical Combined Financial Data, and Operating and Financial Review and Prospects. You should regard the summary financial information below only as an introduction and should base your investment decision on a review of the entire prospectus.

RGHL Group

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

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

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

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

On November 16, 2010, RGHL acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion. See The Transactions The Pactiv Transaction.

On May 2, 2011, RGHL acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. See The Transactions The Dopaco Acquisition.

On September 8, 2011, RGHL acquired Graham Company for a total enterprise value, including net debt, of $4.5 billion. See The Transactions The Graham Packaging Transaction.

Our Evergreen, SIG and Closures segments and our Reynolds consumer products and Reynolds foodservice packaging businesses, which are part of our Reynolds Consumer Products and Pactiv Foodservice segments, have been under common ownership and control through entities ultimately 100% owned by Mr. Graeme Hart, our strategic owner, for four years, but they have not been owned, directly or indirectly, by a single company that consolidated their financial results or operated them as a single combined business for that period of time. We have determined that the Evergreen Acquisition, the RGHL Acquisition and the

Reynolds Foodservice Acquisition constituted business combinations of entities under common control. IFRS is silent on the accounting required for business combinations involving entities that are under common control, but requires that entities develop and consistently apply an accounting policy for such transactions. Accordingly, we have chosen to account for RGHL s acquisitions of Evergreen, Closures and the Reynolds consumer products and Reynolds foodservice packaging businesses, which were acquired from entities under the common control of our ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities in the business acquired. The excess of the purchase price over the consolidated carrying value of net assets acquired is recognized directly in equity. No additional goodwill separately arose as a result of the Evergreen Transaction, the RGHL Transaction or the Reynolds Foodservice Acquisition.

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

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

The summary historical financial information of the RGHL Group as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 has been derived from the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus.

Pro Forma Combined Financial Information

The summary unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Dopaco and Graham Packaging, each of which is included elsewhere in this prospectus, as adjusted to illustrate the impact of the 2012 Refinancing Transactions, the 2011 Refinancing Transactions, the Dopaco Acquisition and the Graham Packaging Transaction (collectively, the Pro Forma Transactions). For further information regarding the Pro Forma Transactions, see The Transactions. The unaudited pro forma combined balance sheet gives effect to the 2012 Refinancing Transactions as if they had been completed as of December 31, 2011. The unaudited pro forma combined income statement gives effect to the Pro Forma Transactions as if they had been completed as of January 1, 2011.

The RGHL Group incurred costs associated with completing the Pactiv Acquisition. In addition, the RGHL Group expects to incur approximately $125 million of additional costs by the end of 2012 related to the integration of the Pactiv businesses, of which $122 million has been incurred through December 31, 2011. Because these costs are not recurring or capital in nature, they are not reflected in the unaudited pro forma combined income statement included elsewhere in this prospectus, except to the extent the costs were incurred as of December 31, 2011 and are reflected in the historical financial statements of the RGHL Group. These costs will be substantial and could have an adverse effect on our results of operations.

The RGHL Group incurred costs associated with completing the Graham Packaging Acquisition. In addition, the RGHL Group expects to incur cash outlays of approximately $75 million of additional costs by the end of 2013 to achieve the expected cost savings and synergies from the Graham Packaging Acquisition, of which $3 million has been incurred through December 31, 2011. Cash outlays include both expenses and capital expenditures associated with integrating Graham Packaging into RGHL s operations and are separate from the costs associated with the Graham Packaging Acquisition. Expenses incurred under our planned integration program generally will include exit, disposal, severance and other costs. The costs will be substantial and could have an adverse effect on our results of operations.

The unaudited pro forma adjustments are based upon current available information and assumptions that we believe to be reasonable. The pro forma adjustments and related assumptions are described in the accompanying notes presented on the following pages.

The summary historical financial and pro forma information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the

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RGHL Group or the pro forma combined group would have reported had the Pro Forma Transactions been completed as of the dates set forth in this unaudited pro forma combined financial information and should not be taken as being indicative of our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited pro forma combined financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. As a result, the unaudited pro forma combined financial information does not purport to be indicative of what the financial condition or results of operations would have been had the Pro Forma Transactions been completed on the applicable dates of the unaudited pro forma combined financial information.

The unaudited pro forma combined income statement does not include adjustments for (i) any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Pactiv Transaction, the Dopaco Acquisition, the Graham Packaging Acquisition or as a result of any of the other acquisitions we have completed, or (ii) the prospective impact of costs directly related to the Pro Forma Transactions or any of the other acquisitions we have completed. In addition, the unaudited pro forma combined financial information does not give effect to any of the adjustments made to derive the RGHL Combined Group Adjusted EBITDA, which are each described under Summary Summary Historical and Pro Forma Combined Financial Information.

We have adjusted the financial data of Dopaco and Graham Packaging for the period presented by applying IFRS in all material respects to such financial data.

Summary Unaudited RGHL Combined Group Pro Forma Financial Information

	RGHL Combined Group(1) For the Year Ended December 31, 2011 (IFRS) (In $ millions)
Income Statement	
Revenue	**$ 14,068**
Cost of sales	(11,742)
Gross profit	**2,326**
Other income	86
Selling, marketing and distribution expenses	(424)
General and administration expenses	(778)
Other expenses	(507)
Share of profit of associates and joint ventures, net of income tax (equity method)	17
Profit (loss) from operating activities	**720**
Financial income	23
Financial expenses	(1,670)
Net financial expenses	**(1,647)**

Profit (loss) before income tax		**(927)**
Income tax benefit (expense)		107
Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions	**$**	**(820)**

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	RGHL Combined Group as of December 31, 2011 (IFRS) (In $ millions)	
Balance Sheet Data		
Cash and cash equivalents	$	1,152
Trade and other receivables current		1,506
Inventories		1,773
Property, plant and equipment		4,535
Investment property		29
Intangibles		12,531
Other assets		917
Total assets		**22,443**
Trade and other payables current		1,758
Borrowings current		68
Borrowings non-current		17,638
Other liabilities		3,161
Total liabilities		**22,625**
Net assets (liabilities)	**$**	**(182)**

	RGHL Combined Group(1) For the Year Ended December 31, 2011 (IFRS) (In $ millions except ratios)	
Pro Forma Other Financial Data:		
Total Capital Expenditure	$	603
RGHL Combined Group EBITDA(2)		1,954
RGHL Combined Group Adjusted EBITDA(3)		2,529
Pro Forma Ratio of earnings to fixed charges(4)		

(1) Refer to Unaudited Pro Forma Combined Financial Information for details regarding the basis of preparation and description of the pro forma adjustments.

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

free cash flow for management s discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments and capital expenditures. We believe that the inclusion of EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA identically, this presentation of the RGHL Combined Group EBITDA may not be comparable to other similarly titled measures used by other companies. The following table reconciles the RGHL Combined Group EBITDA calculation presented above to our profit (loss) from continuing operations for the period presented:

		RGHL Combined Group(1) For the Year Ended December 31, 2011 (IFRS) (In $ millions)
Profit (loss) from continuing operations	**$**	**(820)**
Income tax (benefit) expense		(107)
Net financial expenses		1,647
Depreciation and amortization		1,234
RGHL Combined Group EBITDA(2)	**$**	**1,954**

(3) RGHL Combined Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Combined Group EBITDA, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, 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. 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) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See Risk Factors. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management s discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate Adjusted EBITDA identically, this presentation of Adjusted EBITDA may not be comparable to the similarly titled measures of other companies. The following table reconciles the RGHL Combined Group EBITDA calculation presented above to the RGHL Combined Group Adjusted EBITDA for the period presented:

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	RGHL Combined Group For the Year Ended December 31, 2011 (IFRS) (In $ millions)
RGHL Combined Group EBITDA	**$ 1,954**
Restructuring costs(a)	88
Impairment of non-current assets(b)	15
Equity method joint venture profit not distributed in cash(c)	(10)
Consulting fees for business optimization projects(d)	42
Non-cash pension expense (income)(e)	(42)
Effect of purchase price accounting on inventories and leases(f)	32
VAT and Customs duties on historical imports(g)	1
Gain on sale of businesses(h)	(5)
Business interruption costs(i)	2
Costs related to business acquisitions and integrations(j)	97
Unrealized (gain) loss on derivatives(k)	26
Non-cash inventory charge(l)	3
SEC registration costs(m)	6
Gain from modification of retiree medical plan benefits(n)	(25)
ITR agreements(o)	234
Fees relating to Graham Packaging s terminated related party monitoring agreement(p)	1
Graham Packaging acquisition and integration expenses(q)	4
Graham Packaging transaction related expenses(r)	89
Graham Packaging reorganization and other costs(s)	11
Other(t)	6
RGHL Combined Group Adjusted EBITDA	**2,529**

(a) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures.

(b) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount in the RGHL Group and Graham Packaging.

(c) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash of the RGHL Group.

(d) Reflects costs incurred at our Reynolds Consumer Products segment and our Pactiv Foodservice segment designed to optimize business processes, including the purchase of raw material and other inputs.

(e) Reflects non-cash pension expense or income included in results of operations.

(f)

Reflects the fair value adjustment to inventories and leases as a result of the purchase price accounting exercise against cost of sales.

(g) Reflects customs duties and VAT taxes on historical imports.

(h) Reflects a total gain on sale of $5 million for the year ended December 31, 2011, on disposal of one of Closures European businesses.

(i) Reflects business interruption costs (net of insurance recoveries in 2011) at:

SIG in 2011 as a result of hail damage at its plant in Wittenberg, Germany;

Closures in 2011 as a result of an earthquake in Japan; and

Reynolds consumer products business in 2009 as a result of flood damage and related insurance recoveries in 2011.

(j) Reflects costs incurred by the RGHL Group related to business acquisitions and to the integration of Pactiv and Graham Packaging and payments made to executives and members of management of Graham Packaging as a result of the change in control events associated with the Graham Packaging Acquisition.

(k) Reflects the adjustments for unrealized gains or losses on derivatives.

(l) Reflects a non-cash charge related to changing a technique in computing the monthly inventory standards at the Pactiv Foodservice and Reynolds Consumer Products segments.

(m) Reflects the cost incurred by the RGHL Group related to the SEC registration process.

(n) Represents the gain from modification of retiree medical plan benefits.

(o) Reflects amounts in respect of the ITR agreements, which were terminated as a result of the Graham Packaging Acquisition.

(p) Represents annual fees paid to Donald C. Graham, his family and affiliated entities and Graham Packaging s financial sponsors in connection with a monitoring agreement.

(q) Represents costs related to the acquisition and integration of the Liquid Entities, China Roots Packaging PTE Ltd. (China Roots) and other entities by Graham Packaging.

(r) Represents costs related to the terminated merger with Silgan Holdings Inc. and the subsequent acquisition costs by the RGHL Group.

(s) Represents costs related to the OnTech arbitration, plant closures, employee severance and other costs.

(t) Represents the net loss on disposal of fixed assets, stock-based compensation expense, non-cash equity income from non-consolidated entities and Venezuelan hyper-inflationary accounting for Graham Packaging, and certain expenses associated with historical Dopaco operations.

(4) For purposes of calculating the pro forma ratio of earnings to fixed charges, earnings represent income before income taxes from continuing operations before adjustments for minority interests and equity from affiliates plus fixed charges and distributed income of equity investees. Fixed charges include the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. This ratio does not have the same definition as any similarly titled ratio with respect to the notes. For the period presented, the ratio coverage was less than 1.0x. The RGHL Combined Group would have needed to generate additional earnings of $942 million for the year ended December 31, 2011 to achieve a coverage of 1.0x.

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Summary Historical RGHL Group Financial Information

	RGHL Group Year Ended December 31,		
	2009( )	2010(*)	2011(**)
	(IFRS) (In $ millions)		
Income Statement			
Revenue	**$ 5,910**	**$ 6,774**	**$ 11,789**
Cost of sales	(4,691)	(5,524)	(9,725)
Gross profit	**1,219**	**1,250**	**2,064**
Other income	201	102	87
Selling, marketing and distribution expenses	(211)	(231)	(347)
General and administration expenses	(366)	(392)	(628)
Other expenses	(96)	(80)	(268)
Share of profit of associates and joint ventures, net of income tax (equity method)	11	18	17
Profit (loss) from operating activities	**758**	**667**	**925**
Financial income	21	66	22
Financial expenses	(513)	(752)	(1,420)
Net financial income (expenses)	**(492)**	**(686)**	**(1,398)**
Profit (loss) before income tax	**266**	**(19)**	**(473)**
Income tax benefit (expense)	(149)	(78)	56
Profit (loss) from continuing operations for the period	**$ 117**	**$ (97)**	**$ (417)**

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* Represents a full year of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include operations of our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

Derived from the audited financial statements of the RGHL Group.

	RGHL Group As of December 31,		
	2009(*)	2010(**)	2011(***)
	(IFRS) (In $ millions)		
Balance Sheet Data			
Cash and cash equivalents	$ 516	$ 664	$ 597
Trade and other receivables	683	1,150	1,506
Inventories	756	1,281	1,773
Property, plant and equipment	1,825	3,266	4,535
Investment property	76	68	29
Intangible assets	3,279	8,748	12,531
Other assets	627	799	917
Total assets	**7,762**	**15,976**	**21,888**
Trade and other payables	761	1,246	1,758
Borrowings current	112	141	521
Borrowings non-current	4,842	11,701	16,625
Other liabilities	943	2,624	3,161
Total liabilities	**6,658**	**15,712**	**22,065**
Net assets (liabilities)	**$ 1,104**	**$ 264**	**$ (177)**

* Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments, included in the RGHL Group s annual audited financial statements which are not included elsewhere in this prospectus.

** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include balance sheet data for our Hefty consumer products and Pactiv foodservice packaging businesses.

***

Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

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	RGHL Group Year Ended December 31, 2009( )	2010(*) (IFRS) (In $ millions)	2011(**)
Other Financial Data			
Total capital expenditures	$ 292	$ 337	$ 520
RGHL Group EBITDA(1)	1,260	1,171	1,897
RGHL Group Adjusted EBITDA(2)	1,130	1,251	2,124
Ratio of earnings to fixed charges(3)	1.6		
Cash Flow Statement Data			
Net cash flows from (used in) operating activities	770	383	443
Net cash flows from (used in) investing activities	(135)	(4,588)	(2,502)
Net cash flows from (used in) financing activities	(501)	4,345	2,006

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

Derived from the audited financial statements of the RGHL Group.

The following table reconciles the RGHL Group EBITDA calculations presented above to our profit (loss) from continuing operations for the periods presented:

	RGHL Group Year Ended December 31, 2009	2010* (IFRS) (In $ millions)	2011(**)
Profit (loss) from continuing operations	**$ 117**	**$ (97)**	**$ (417)**
Income tax (benefit) expense	149	78	(56)
Net financial expenses	492	686	1,398
Depreciation and amortization	502	504	972
RGHL Group EBITDA(1)	**$ 1,260**	**$ 1,171**	**$ 1,897**

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products

and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

Derived from the audited financials statements of the RGHL Group.

(1) RGHL Group EBITDA is defined as profit (loss) from continuing operations before income tax expenses, net financial expenses, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a measure of our financial condition, liquidity or profitability and should not be considered as a substitute for profit (loss) 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. Additionally, EBITDA is not intended to be a measure of free cash flow for management s discretionary use, as it does not take into account certain items such

as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA identically, this presentation of the RGHL Group EBITDA may not be comparable to other similarly titled measures of other companies.

(2) RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, 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.

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 Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. See Risk Factors. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management s discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. The following table reconciles the RGHL Group EBITDA calculation presented above to RGHL Group Adjusted EBITDA for the periods presented:

	RGHL Group Year Ended December 31,		
	2009( )	2010(*)	2011(**)
	(IFRS) (In $ millions)		
RGHL Group EBITDA	**$ 1,260**	**$ 1,171**	**$ 1,897**
Adjustment related to settlement of a lease obligation(a)		(2)	
Restructuring costs(b)	58	9	88
Termination of supply agreement(c)		7	
Black Liquor Credit(d)	(214)	(10)	
Related party management fees(e)	3	1	
Impairment of non-current assets(f)	13	28	12
Equity method joint venture profit not distributed in cash(g)	(10)	(14)	(10)
Consulting fees for business optimization projects(h)	13	8	42
Non-cash pension expense (income)(i)		(5)	(42)
Korean insurance claim(j)	(2)		
Venezuela receivable(k)	1		

Legal costs related to the acquisition of Blue Ridge Paper Products, Inc.(l)	1		
Write-down of assets held for sale(m)	1		
Transition costs(n)	24		
Effect of purchase price adjustment on inventories and leases(o)		63	32

	RGHL Group		
	Year Ended December 31,		
	2009( )	2010(*)	2011(**)
		(IFRS)	
		(In $ millions)	
VAT and Customs duties on historical imports(p)	3	10	1
Gain on sale of businesses and investment properties(q)		(16)	(5)
Business interruption costs(r)	5	2	2
Costs related to business acquisitions and integrations(s)		12	97
Closure Systems International Americas, Inc. gain on acquisition(t)		(10)	
Unrealized (gain) loss on derivatives(u)	(129)	(3)	26
Plant realignment costs(v)	2		
Loss on sale of Baco assets(w)	1		
Elimination of historical Reynolds Consumer hedging policy(x)	95		
Inventory write-off(y)	5		
Non-cash inventory charge(z)			3
SEC registration costs(aa)			6
Gain from modification of retiree medical plan benefits(bb)			(25)
RGHL Group Adjusted EBITDA	**$ 1,130**	**$ 1,251**	**$ 2,124**

* Represents data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

Derived from the audited financial statements of the RGHL Group.

(a) Reflects the reversal of excess reserves for Baco leasing obligations that were settled in 2010.

(b) Reflects restructuring costs relating to cost saving programs associated with implementing workforce reductions and plant closures, as disclosed in note 10 of the RGHL Group s audited financial statements as of December 31, 2011 and for the years ended December 31, 2009, 2010 and 2011.

(c) Reflects amounts paid to settle the termination of a supply contract at Pactiv Foodservice.

(d) Reflects tax credits, net of related expenses, received for the use of alternative fuel mixtures to produce energy to operate the Evergreen business during the 2009 and 2010 years. See Operating and Financial Review and Prospects.

(e) Reflects an expense for management fees relating to executives of Evergreen.

(f) Reflects impairment charges relating to the write-down of non-current assets to their recoverable amount, predominantly in relation to the sale of a plant in Venezuela at Evergreen in 2009, impairment charges relating to the write-down of property, plant and equipment and intangible assets to their recoverable amount in relation to the sale or closure of certain of Pactiv Foodservice s operations in 2010 and 2011, and impairment charges relating to the write-down of investment properties at SIG in 2011.

(g) Reflects adjustments to deduct equity accounted results of joint ventures to the extent that they are not distributed in cash, as disclosed in the reconciliation of the profit for the period with the net cash from operating activities of the RGHL Group s audited financial statements as of and for the years ended December 31, 2009, 2010 and 2011.

(h) Reflects consulting fees incurred at our Evergreen segment, our Reynolds Consumer Products segment and our Pactiv Foodservice segment to optimize business processes, including the purchase of raw material and other inputs.

(i) Reflects non-cash pension expense or income included in results of operations.

(j) Reflects the settlement in 2009 of an insurance claim for costs in connection with a fraud in the Korean business, which occurred at Evergreen in 2007.

(k) Reflects write-off of related party receivables in the Venezuela operations.

(l) Reflects an expense for legal fees related to the acquisition of Blue Ridge Paper Products, Inc. in 2007, which were incurred subsequent to the initial purchase accounting adjustments.

(m) Reflects write-down on assets held for sale.

(n) Reflects incremental costs incurred by RGHL associated with transitioning the Reynolds consumer products business from Alcoa, including costs related to IT systems and duplicative shared services during the transition period.

(o) Reflects the fair value adjustment to inventories and leases as a result of the purchase price accounting exercise against cost of sales.

(p) Reflects customs duties and VAT taxes on historical imports.

(q) Reflects a total gain on sale of businesses of $16 million for the year ended December 31, 2010, comprised of $8 million on disposal of the Reynolds foodservice packaging business s interest in its envelope window film operations, $6 million on other business disposals and the gain on sale of investment properties of $2 million at SIG. For the year ended December 31, 2011, the gain on sale of business was $5 million on disposal of one of Closures European businesses.

(r) Reflects business interruption costs (net of insurance recoveries) at:

SIG in 2011 as a result of hail damage at its plant in Wittenberg, Germany;

Closures in 2011 as a result of an earthquake in Japan and in 2010 as a result of an earthquake in Chile; and

Reynolds consumer products business in 2009 as a result of flood damage and related insurance recoveries in 2010 and 2011.

(s) Reflects costs incurred by the RGHL Group related to business acquisitions.

(t) Reflects the difference between the net assets acquired and consideration paid on the acquisition of Closure Systems International Americas Inc. (see note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011).

(u) Reflects the adjustments for unrealized gains or losses on derivatives.

(v) Reflects plant realignment costs in 2009.

(w) Reflects a loss of $1 million on sale of Baco assets in 2009.

(x) Reflects the impact of the elimination of the historical hedging policy in 2009.

(y) Reflects a write-off of inventory in the Reynolds foodservice packaging business from restructuring and business rationalization activities.

(z) Reflects a non-cash charge related to changing a technique in computing the monthly inventory standards at the Pactiv Foodservice and Reynolds Consumer Products segments.

(aa) Reflects costs incurred by the RGHL Group related to the SEC registration process.

(bb) Represents the gain from modification of retiree medical plan benefits.

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings represent income before income taxes from continuing operations before adjustments for minority interests and equity from affiliates plus fixed charges and distributed income of equity investees. Fixed charges include the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. This ratio does not have the same definition as any similarly titled ratio with respect to the notes. For certain periods presented where the ratio coverage was less than 1.0x, the RGHL Group would have needed to generate additional earnings of $34 million and $488 million for the years ended December 31, 2010 and 2011, respectively, to achieve a coverage of 1.0x.

RISK FACTORS

You should carefully consider the following risk factors, in addition to the other information presented in this prospectus, including all the financial statements and related notes, in evaluating our business and an investment in the notes. Any of the following risks, as well as other risks and uncertainties, could harm our business and financial results and cause the value of the notes to decline, which in turn could cause you to lose all or part of your investment. The risks below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial also may materially and adversely impair our business, financial condition or results of operations.

Risks Related to Our Business

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

The RGHL Group s lack of an operating history as a single company combining all of the RGHL Group s segments, including the businesses of Pactiv, Dopaco and Graham Packaging, makes evaluating our business and our future financial prospects difficult. Our potential for future business success and operating profitability must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently organized or combined companies.

In this prospectus, we have presented financial statements and financial information of the RGHL Group, Pactiv, Dopaco and Graham Packaging.

Although the financial statements of the RGHL Group included in this prospectus reflect the operations of our SIG, Evergreen and Closures segments and the operations of our Reynolds foodservice packaging business and Reynolds consumer products business, which are part of our Pactiv Foodservice and Reynolds Consumer Products segments, respectively, we did not operate these businesses during all of the periods presented, even though they are presented as combined in the RGHL Group s financial statements. These businesses have been under common ownership and control through entities ultimately 100% owned by Mr. Graeme Hart for several years. However, these businesses were not owned, directly or indirectly, by a single company that consolidated their financial results or managed them on a combined basis prior to the completion of the Reynolds Foodservice Acquisition on September 1, 2010.

In addition, the RGHL Group s financial statements reflect the operations of our Pactiv foodservice packaging and Hefty consumer products businesses only for the period of November 16, 2010 to December 31, 2010 and for the year ended December 31, 2011.

We acquired Dopaco on May 2, 2011 and, as a result, its results are only reflected in the RGHL Group s financial statements from May 2, 2011. We are in the process of combining Dopaco with our Pactiv Foodservice segment.

We acquired Graham Packaging on September 8, 2011 and, as a result, its results are only reflected in the RGHL Group s financial statements from September 8, 2011.

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

of our future operating performance.

Because we acquired Graham Packaging on September 8, 2011, Dopaco on May 2, 2011 and Pactiv on November 16, 2010, our historical financial information does not consolidate the financial results for the RGHL Group, Graham Packaging, Dopaco and Pactiv for all the periods presented. The financial results of Graham Packaging, Dopaco and Pactiv are only reflected in the historical financial statements of the RGHL Group from the dates they were acquired by RGHL. The historical financial statements consist of the financial statements of the RGHL Group, the separate financial statements of Pactiv for periods prior to the Pactiv Transaction, the separate financial statements for Dopaco prior to the Dopaco Acquisition and the separate financial statements for Graham Packaging prior to the Graham Packaging Acquisition, each included elsewhere in this prospectus. In addition, Pactiv s, Dopaco s and Graham Packaging s historical financial statements included elsewhere in this prospectus are presented in accordance with U.S. GAAP, which differs in certain respects from IFRS, the accounting principles used by the RGHL Group.

The unaudited pro forma combined financial information presented in this prospectus is for illustrative purposes only and is not intended to, and does not purport to, represent what our actual results or financial condition would have been if each of the Pro Forma Transactions had occurred on the relevant dates. In addition, such unaudited pro forma combined financial information is based in part on certain assumptions regarding the Graham Packaging Transaction that the RGHL Group believes are reasonable. The unaudited pro forma combined financial information has been prepared using the purchase method of accounting, pursuant to which the purchase price in connection with acquisitions is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the acquisition, with any excess purchase price allocated to goodwill. The preliminary allocation of the purchase price in connection with the Graham Packaging Acquisition as reflected in the unaudited pro forma combined financial information is based upon our preliminary estimates of the values of assets acquired and liabilities assumed. For more information, see Unaudited Pro Forma Combined Financial Information. The final purchase price allocations may be different than those reflected in the preliminary pro forma purchase price allocations, and the differences may be material.

In addition, the RGHL Group incurred costs associated with completing the Graham Packaging Acquisition and the Pactiv Acquisition. We expect to incur approximately $125 million of additional costs to achieve the expected cost savings and synergies from the Pactiv Acquisition. We expect to incur approximately $75 million of costs by the end of 2013 to achieve the expected cost savings and synergies from the Graham Packaging Acquisition. Because these costs are not recurring and certain costs are capital in nature, they are not reflected in the unaudited pro forma combined income statements included elsewhere in this prospectus. Accordingly, the historical and pro forma financial information included in this prospectus does not reflect what the RGHL Group s results of operations and financial condition would have been had the RGHL Group been a consolidated entity with Pactiv, Dopaco and Graham Packaging during all periods presented, or what our results of operations and financial condition will be in the future.

Other important information about the presentation of our financial information is included under the heading Summary Presentation of Financial Information. Although EBITDA, along with Adjusted EBITDA, as the case may be, is derived from the financial statements of the RGHL Group, Pactiv, Dopaco and Graham Packaging, the calculation of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and may differ materially from actual results. For example, raw materials pricing, synergies, cost savings and the determination of foreign currency conversions contain significant estimates and assumptions. Although we believe these estimates and assumptions are reasonable and correct, investors should not place undue reliance upon Adjusted EBITDA as an indicator of current and future performance given how it is calculated and the possibility that actual results may differ from the underlying estimates and assumptions.

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

Raw material costs historically have represented a significant portion of our cost of sales, so changes in raw material prices may impact our results of operations. The primary raw materials used to manufacture our products are resin (particularly high-density polyethylene, or HDPE, polypropylene, or PP, polyethylene, or PE, polystyrene, or PS, a polyethylene terephthalate, or PET), aluminum, fiber (principally raw wood and wood chips) and paperboard (principally cartonboard and cupstock). The prices of our raw materials, particularly resin, have fluctuated significantly in recent years. See Operating and Financial Review and Prospects Key Factors Influencing our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Fluctuations in raw material costs can adversely affect our business because most of our purchases of raw materials are based on negotiated rates with suppliers, which are tied to published indices. While we sometimes enter into hedging agreements for some of our raw materials and energy sources, such as aluminum and natural gas, to minimize the impact of such fluctuations, we generally have not entered into hedging arrangements for plastic resin or other raw materials and energy sources. In addition, we typically do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials. Although our revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by each of our segments other than our SIG segment and branded products, which represent the majority of aluminum foil products sold by our Reynolds Consumer Products segment, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Even where our contracts provide for price adjustments based on changes in raw material costs, such adjustments are not immediate and may not fully offset our increased costs. We also use price increases, where possible, to mitigate the effect of raw material cost increases for customers that are not subject to raw material cost pass-through agreements. However, there is no assurance that increases in raw material costs may be covered by increases in pricing. As a result, we often are not able to pass on price increases to our customers on a timely basis, if at all, and consequently do not always recover the lost margin resulting from the price increases. Moreover, an increase in the selling prices for the products we produce resulting from a pass-through of increased raw material costs or freight costs could have an adverse impact on the volume of units we sell and decrease our revenue.

In addition to our dependence on primary raw materials, we are also dependent on different sources of energy for our operations, such as coal, fuel oil, electricity and natural gas. In particular, our Evergreen segment is susceptible to price fluctuations in natural gas, as it incurs significant natural gas costs to convert raw wood and wood chips to paper products and liquid packaging board. Historically, we have been able to mitigate the effect of higher energy-related costs with productivity improvements and other cost reductions. However, there is no assurance that we can sustain the level of productivity improvements and cost reduction measures in the future. In addition, if some of our large contracts were to be terminated for any reason or not renewed upon expiration, or if market conditions were to substantially change resulting in a significant increase in the price of coal, fuel oil, electricity and/or natural gas, we may not be able to find alternative, comparable suppliers or suppliers capable of providing coal, fuel, electricity and/or natural gas on terms or in amounts satisfactory to us. As a result of any of these events, our business, financial condition and operating results may suffer.

We are also dependent on third parties for the transportation of both our raw materials and the products we sell. In certain jurisdictions, we are exposed to import duties and freight costs, the latter of which is influenced by carrier availability and the fluctuating costs of oil and other transportation costs.

Our operating results depend upon a steady supply of wood fiber and any impairment in our ability to procure wood fiber at cost-effective prices may adversely affect our business, financial condition and operating results.

Evergreen does not own or control any timberlands and must buy its fiber either through supply agreements or on the open market. One of Evergreen s supply agreements for wood fiber, which expires on May 14, 2014, currently accounts for 23% of its total requirements for the supply of wood chips and the prices that Evergreen pays for wood fiber under that agreement at any particular time may be greater or less than spot market prices. Evergreen also has agreements with numerous other suppliers to purchase wood fiber at market prices. If any of these agreements were to be terminated for any reason, or not renewed upon expiration, or if market conditions were to substantially change, we may not be able to find alternative, comparable suppliers or suppliers capable of providing our wood fiber needs on terms or in amounts satisfactory to us. As a result, our business, financial condition and operating results could suffer.

In addition, the cost and availability of wood fiber have at times fluctuated greatly because of weather, economic or general industry conditions. From time to time, timber harvesting may be limited by natural events, such as fire, insect infestation, disease, ice storms, excessive rainfall and windstorms, or by harvesting restrictions. Production levels within the forest products industry are also affected by such factors as currency fluctuations, duties and finished lumber prices. All of these factors can increase the price we pay for wood fiber from our existing suppliers or from any new suppliers and we may not be able to immediately pass on raw material price increases to our customers, if at all. Due to differences in the timing of the pricing mechanism trigger points between our sales and purchase contracts, there is often a lead-lag impact during which margins are negatively impacted for the short term in periods of rising raw material prices and positively impacted in periods of falling raw material prices. Therefore, selling prices of our finished products may not increase in response to raw material price increases. Our operating results may be materially and adversely affected if we are unable to pass through any raw material price increases to our customers.

We depend on a small number of suppliers for our raw materials and any interruption in our supply of raw materials would harm our business and financial performance.

Most of our raw material requirements are sourced from a relatively small number of suppliers. In addition, we do not have written contracts with some of our suppliers and many of our contracts can be terminated on short notice. As a consequence, we are highly dependent on these suppliers for an uninterrupted supply of our key raw materials. Such supply could be disrupted for a wide variety of reasons, many of which are beyond our control. Any interruption in the supply of raw materials could have an adverse impact on our business and results of operations. In addition, SIG relies on a small number of suppliers for its cartonboard requirements for its aseptic carton packaging business. Specifically, SIG purchases nearly all of its cartonboard requirements from Stora Enso Oyj. SIG has purchased cartonboard from Stora Enso Oyj for several years, generally pursuant to written contracts, but from time to time without a written contract in place. SIG s current contract with Stora Enso Oyj expires on December 31, 2013. However, if Stora Enso Oyj is unwilling or unable to supply cartonboard to SIG at any time and SIG is unable to obtain a replacement supplier or manufacturer within a reasonable amount of time, SIG may experience a significant interruption to its production of aseptic carton packaging sleeves, which may adversely affect our business and results of operations.

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

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

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

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

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

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

All of our segments operate in highly competitive markets. Some of our segments, such as SIG and Evergreen, operate in markets with a limited number of key global competitors. Certain of those competitors have a significantly higher market share than we do globally or in the geographic markets in which we compete and may have substantially greater financial and other resources than we do. The global beverage caps and closures market is highly fragmented, with Closures being one of a relatively small number of key global participants. Reynolds Consumer Products faces significant competition in all of its product lines from numerous national and regional companies of various sizes and cost structures. The foodservice market is also highly fragmented, with Pactiv Foodservice being one of the few participants with a product range that spans most of the foodservice product categories. Some competitors offer a more specialized variety of packaging materials and concepts and may serve more geographic regions through various distribution channels. Graham Packaging has a significant market share in rigid blow-molded plastic containers in North America but faces increasing competition in the market.

We believe that the aseptic and fresh carton packaging, paper and beverage caps and closures businesses are highly competitive, and product pricing is a key competitive factor. Besides product pricing, we also compete by offering customers volume rebates, marketing allowances and extended payment terms for purchases of our filling machines. As a result, unless we are able to control our operating costs, our gross margin may be adversely affected. In 2008, as a result of competitive pricing, one of Closures major customers significantly reduced its purchasing of beverage caps and closures from us in the United States, which adversely affected Closures business and results of operations. It is possible that we will lose additional customers in the future, which would adversely affect our business and results of operations.

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

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closures business, especially in emerging markets, might explore the option to self-manufacture caps and closures, which may adversely affect our financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

If Reynolds Consumer Products does not continue to develop and maintain brands that are meaningful to consumers, our results of operations may suffer.

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

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

Many of our customers are large and possess significant market leverage, which results in significant downward pricing pressure, and generally constrains our ability to pass through price increases. SIG s, Evergreen s and Closures products are sold under multi-year supply agreements with many of their customers, while Reynolds Consumer Products generally sells its branded products pursuant to informal trading policies and its store branded products under one year or multi-year agreements. Pactiv Foodservice sells the majority of its products under agreements ranging from a few months to one year, with the balance sold pursuant to purchase orders or informal trading policies. In addition, we do not have written agreements with some of our customers and many of our agreements can be terminated on short notice. Graham Packaging s sales are made pursuant to long-term customer purchase orders and contracts which typically vary in length with terms up to ten years. The contracts are requirements contracts which do not obligate the customer to purchase any given amount of product from Graham Packaging. Prices under Graham Packaging s arrangements are tied to market standards and therefore vary with market conditions. SIG, Evergreen and Closures typically offer their major customers a variety of incentives to purchase their filling and capping machines or lease their filling machines. If our major customers reduce purchasing volumes or stop purchasing our products, our business and results of operations would likely be adversely affected. For example, in 2008, one of Closures major customers significantly reduced its purchasing of beverage caps and closures from us in the United States, which adversely affected Closures business and results of operations. It is possible that we will lose customers in the future, which may adversely affect our business and results of operations.

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

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

For a discussion of risks and liabilities relating to the Canton mill s wastewater discharge permit, including challenges filed to such permit and the potential implications thereof, see Business Overview Evergreen Regulatory.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect us. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the United States Environmental Protection Agency, or EPA, is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These and other foreign, federal and state climate change initiatives may cause us to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from our suppliers, customers or both incurring additional compliance costs that could get passed through to us or impact product demand. Additionally, the EPA is continuing the development of other new standards and programs that may be applicable to our operations. For example, the EPA has issued but is currently reconsidering regulations under the Clean Air Act governing emissions from industrial boilers. These or other rules promulgated in the future could result in additional material costs to us.

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

We may be unable to achieve some or all of the benefits that we expect to achieve from our restructuring and cost savings programs.

We may not be able to realize some or all of the cost savings and other adjustments we expect to achieve in the future as a result of our restructuring and cost savings programs in the time frame we anticipate. For a detailed description of these cost savings measures and other adjustments expected, refer to Operating and Financial Review and Prospects. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings programs, lack of sustainability in cost savings over time, unexpected costs associated with operating our business, our ability to eliminate duplicative back office overhead and redundant selling, general and administrative functions, obtain procurement related savings, rationalize our distribution and warehousing networks, rationalize manufacturing capacity and shift production to more economical facilities and our ability to avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction.

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

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, we will not be fully insured against all risks associated with pollution and other environmental incidents or impacts. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or obtain or renew insurance against certain risks. Any significant uninsured liability may require us to pay substantial amounts which would adversely affect our cash position and results of operations.

We may be involved in a number of legal proceedings that could result in substantial liabilities for us.

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

Loss of any of our key manufacturing facilities could have an adverse effect on our financial condition or results of operations.

While we manufacture most of our products in a large number of diversified facilities, and maintain insurance covering these facilities, a loss of the use of all or a portion of any of our key manufacturing facilities due to an accident, labor issues, weather conditions, natural disaster or otherwise, may have a material adverse effect on our financial condition or results of operations. In addition, certain of our products are produced at only one location or at a small number of facilities, increasing the risks associated with a loss of use of such facilities. For example, after the consolidation of Reynolds Consumer Products Richmond and Louisville manufacturing facilities in late 2009, we can only perform the foil rolling phase of our foil manufacturing process in our Louisville plant and the melting and casting phase in our Hot Springs facility. Loss or disruption of either of these two facilities would significantly interrupt our production process and adversely affect our business and results of operations. Additionally, we experienced a flood at one of our locations in 2009, which required us to suspend production at that facility for a short period of time. Similarly, we were affected by earthquakes in Chile in 2010, which caused one of Closures facilities to suspend its operations for approximately two months.

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

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

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

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

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

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

Consolidation among our customers could adversely affect our profitability. We have observed that over the last ten years, there has been a trend toward consolidation among our customers in the food and beverage industry and in the retail and foodservice industries, and we expect that this trend will continue. In particular, consolidation among our customers could increase their ability to apply price pressure, and thereby force us to reduce our selling prices or lose sales, which would impact our results of operations. Following a consolidation, our customers in the food and beverage industry may also close production facilities or switch suppliers of packaging, caps or closures which could impact sales of our filling and capping machines and other products, while our customers in the retail industry may close stores, reduce inventory or switch suppliers of consumer products.

Additionally, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging rely on a relatively small number of customers for a significant portion of their revenue. In 2011, Reynolds Consumer Products top ten customers accounted for approximately 67% of its revenue, with two customers accounting for approximately 27% and 13% of revenue. In 2011, Pactiv Foodservice s top ten customers accounted for approximately 45% of its revenue, with one customer accounting for approximately 12% of revenue. In 2011, Graham Packaging s top ten customers accounted for approximately 48% of its revenue. The loss of any of our significant customers could have a material adverse effect on our business, financial condition and results of operations.

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

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

In addition, if any of our products are found to be defective, we could be required to recall such products, which could result in adverse publicity, significant expenses and a disruption in sales and could affect our reputation and that of our products. Although we maintain product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy.

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

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

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

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is U.S. dollars, we operate in different geographical areas and transact in a range of currencies in addition to dollars. Our other transacting currencies include the euro, the Brazilian real, the British pound, the Canadian dollar, the Chinese yuan renminbi, the Japanese yen, the Korean won, the Mexican peso, the New Zealand dollar, or NZ$, the Polish zloty, the Russian ruble, the Singapore dollar, the Swiss franc, the Taiwanese dollar and the Thai baht. Where possible, we try to minimize the impact of exchange rate fluctuations by transacting in local currencies so as to create natural hedges. We cannot assure you, however, that we will be successful in protecting against these risks. Under certain circumstances in which we are unable to naturally offset our exposure to these currency risks, we enter into derivative transactions to reduce such exposures. Nevertheless, exchange rate fluctuations may either increase or decrease our revenue and expenses as reported in dollars. Given the volatility of exchange rates, particularly as a result of uncertainty surrounding the euro due to the European debt crisis, we may not be able to manage our currency transaction risks effectively, and volatility in currency exchange rates may materially adversely affect our financial condition or results of operations.

We may not be successful in adequately protecting our intellectual property rights, including our unpatented proprietary knowledge and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on the patent and trademark rights granted under the laws of countries in Europe, the United States and various other countries in which we operate, we rely on unpatented proprietary knowledge and trade secrets and employ various methods, including confidentiality agreements with employees and third parties to protect our knowledge and trade secrets. However, these precautions and our patents and trademarks may not afford complete protection against infringement by third parties, and there can be no assurance that others will not independently develop the knowledge and trade secrets. Patent and trademark rights are territorial; thus, the patent and trademark protection we do have will only extend to those countries in which we have been issued patents and have registered trademarks. Even so, the laws of certain countries do not protect our intellectual property rights to the same extent as do the laws of various European countries and the United States. Further, we may not be able to prevent current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information. It is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights.

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

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

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

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

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

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

We face risks associated with certain pension obligations.

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

Our largest pension plan is the Pactiv Retirement Plan, of which Pactiv became the sponsor at the time of the Pactiv spin-off from Tenneco Inc. (now Pactiv) in 1999. This plan covers most of Pactiv s employees as well as employees (or their beneficiaries) of certain companies previously owned by Tenneco but not currently owned by us. As a result, while persons who are not current Pactiv employees do not accrue benefits under the plan, the total number of individuals/beneficiaries covered by this plan is much larger than if only Pactiv personnel were participants. For this reason, the impact of the pension plan on our net income and cash from operations is greater than the impact typically found at similarly sized companies. Changes in the following factors can have a disproportionate effect on our results compared with similarly sized companies: (i) assumptions regarding the long-term rate of return on pension assets and other factors, (ii) interest rate used to discount projected benefit obligations, (iii) level of amortization of actuarial gains and losses, (iv) governmental regulations relating to funding of retirement plans in the United States and foreign countries and (v) financial market performance. As of December 31, 2011, Pactiv s U.S. pension plan was underfunded by $892 million and subsequent financial market performance and decreases in interest rates may have significantly increased this deficit. Future contributions to our pension plans, including Pactiv s U.S. pension plan, could reduce the cash otherwise available to operate our business and could have an adverse effect on our results of operations.

In addition, certain of our businesses participate in various multi-employer pension plans administered by labor unions representing some of our current or former employees. We make periodic contributions to these plans, and if we withdraw from participation in these plans, we could be required to make an additional lump-sum contribution to the plan. If other participating employers withdraw from these plans or become insolvent, our liability could increase. Some multi-employer plans, including some of those in which we participate, are reported to have significant underfunded liabilities, which could increase the size of our potential withdrawal liability.

We may not be able to successfully integrate businesses we have acquired in the past or may acquire in the future, and we may not be able to realize anticipated cost savings, revenue enhancements or other synergies from such acquisitions.

Our ability to successfully implement our business plan and achieve targeted financial results depends on our ability to successfully integrate businesses we have acquired in the past or may acquire in the future. Acquisitions inherently involve risks, including those associated with assimilating and integrating different business operations, corporate cultures, personnel, infrastructure and technologies or products and increasing the scope, geographic diversity and complexity of operations. There may be additional costs or liabilities associated with the acquisitions that we have consummated in recent years that we did not anticipate at the time such acquisitions were consummated, including an unexpected loss of key employees or customers and hiring additional management and other critical personnel. These acquisitions may also be disruptive to our ongoing business and may not be successfully received by our customers. Any of these risks could adversely affect our business, financial condition and results of operations.

Changes in global conditions could adversely affect our business and results of operations.

Our financial results could be substantially affected by global market risks in the countries outside the United States in which we have manufacturing facilities or sell our products. Our business and results of operations are materially affected by conditions in the European economy. Adverse economic conditions in Europe have adversely affected consumer confidence and, as a result, have impacted demand for our packaging products that are used for discretionary consumer products sold in that region. There can be no assurance that a continuing economic downturn in Europe would not result in further adverse effects that may be material to our cash flows, competitive position, financial condition, results of operations, or our ability to access capital. In addition, we have substantial manufacturing facilities in certain countries that are exposed to economic and political instability. For example, Evergreen ceased operations in Venezuela due to political turmoil in the region. Many of our raw materials, particularly plastic resins, are affected by changes in oil prices, and economic or political unrest in petroleum producing countries, such as those in the Middle East, will affect oil prices, which could affect our cost of raw materials and our results. Downturns in economic activity, adverse foreign tax consequences or any changes in social, political or labor conditions in any of these countries or regions could negatively affect our results of operations.

Our third-party equipment leasing arrangements may increase our exposure to credit risk from customer defaults.

SIG enters into arrangements under which filling machines are sold to third-party finance companies that lease the machines to their customers. In the event that a customer defaults under the terms of its lease, under certain circumstances, these finance companies could require us to repurchase the filling machine. As a result, we are exposed to the credit risk of our customers under these leasing arrangements. The potential obligation to buy back filling machines exposed us to a potential maximum liability of $15 million as of December 31, 2011 and $32 million as of December 31, 2010. If we have to repurchase filling machines, we may have to utilize our available cash or our availability under our revolving credit facility.

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

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

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

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

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

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

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

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

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

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

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

SIG currently sells, and our other segments may in the future sell, a significant portion of its trade receivables through factoring programs to finance our working capital needs. As of December 31, 2011 and December 31, 2010, 39% and 46%, respectively, of SIG s trade receivables were subject to non-recourse factoring programs. The factoring programs are an important source of liquidity, even though the SIG program is not reflected on our balance sheet.

Our access to factoring programs depends on the availability of receivables insurance, and on our credit rating and the credit ratings of our customers and insurers. We may be unable to continue to utilize factoring programs or may only be able to do so on less desirable terms if either we are unable to obtain or renew receivables insurance or our credit rating or the credit ratings of our customers or insurers are negatively impacted. An inability to utilize factoring programs would slow our conversion of trade receivables to cash and increase our working capital requirements, which could require us to use revolver availability or cash on hand or seek alternative sources of financing which may not be available or may be more expensive than our existing financing.

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The impairment of financial institutions may adversely affect us.

We, our customers and our suppliers have transactions and borrowing arrangements with U.S. and foreign commercial banks and other financial institutions, some of which may be exposed to ratings downgrade, bankruptcy, lack of liquidity, default or similar risks, especially in times of financial market turmoil. A ratings downgrade, bankruptcy, receivership, default or similar event involving such institutions may adversely affect the institution s performance under letters of credit, limit our access to capital, impact the ability of our suppliers to provide us with raw materials needed for our production, impact the ability of our customers to meet obligations to us or adversely affect our liquidity, future business and results of operations.

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

We are subject to taxation in and to the tax laws and regulations of multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness, including the notes, intercompany loans and guarantees. If any applicable tax authorities, including the U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes on internal deemed transfers or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

Our aluminum hedging activities may result in significant losses and in period-to-period earnings volatility.

We regularly enter into hedging transactions to limit our exposure to raw material price risks primarily relating to aluminum purchases. For example, in the past, our hedging strategies have proven to be ineffective and as a result of changes in the fair value of outstanding aluminum hedging contracts, the Reynolds consumer products business of our Reynolds Consumer Products segment incurred an unrealized loss of $131 million for the year ended December 31, 2008, an unrealized gain of $102 million for the year ended December 31, 2009, an unrealized gain of $2 million for the year ended December 31, 2010 and an unrealized loss of $17 million for the year ended December 31, 2011 on derivative financial instruments. In October 2009, Reynolds Consumer Products terminated its previous hedging policy, which was not necessarily aligned with its production requirements. After the termination of its previous hedging policy, Reynolds Consumer Products adopted a new hedging policy. Under the new policy, Reynolds Consumer Products hedges a smaller portion of its aluminum purchases for a shorter average term than under its previous policy, which the RGHL Group believes is more appropriate for the business and is designed to reduce the impact of changing aluminum prices on the RGHL Group s results of operations. See Operating and Financial Review and Prospects Key Factors Influencing Our Financial Condition and Results of Operations Hedging Activities. If, in the future, our hedging strategies prove to be ineffective or if we fail to effectively monitor and manage our hedging activities, we could incur significant losses which could adversely affect our financial position and results of operations.

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

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

The changes in reporting required as a result of the acquisition of certain businesses that now comprise our segments, changes in reporting required as a result of the Dopaco Acquisition and the Graham Packaging Acquisition and the additional reporting obligations under the respective indentures governing the notes and the 2007 Notes and the agreement governing the Senior Secured Credit Facilities have placed, and will place, significant additional demand on our management and administrative and operational resources, including our accounting resources. Any additional reporting and other requirements of the Exchange Act will place further demand on our management and administrative and operational resources, including our accounting resources. In the future, we may not be able to timely prepare and deliver the financial statements required by the Exchange Act and the indentures governing the notes and the agreement governing the Senior Secured Credit Facilities. Such failure would constitute an event of default under the notes and the Senior Secured Credit Facilities and could affect our business, financial position and results of operations.

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

We have had material weakness in our internal controls over financial reporting in the past. For example, certain of our business operations were acquired through transactions that resulted in the businesses being carved out from other companies. In the process of undertaking these carve-out acquisitions, certain accounting and internal control functions that were performed by the seller s corporate and shared services functions were not acquired or were provided by the seller on a limited basis through transitional service arrangements.

During the financial statement audits for the Reynolds consumer products business of our Reynolds Consumer Products segment and our Closures segment for the year ended December 31, 2008, our auditors identified four material weaknesses in our internal control for the Reynolds consumer products business and two material weaknesses in our internal control for Closures, in addition to other significant deficiencies in each case. During the re-issuance of their audit opinion on the financial statements for the years ended December 31, 2007 and 2008 in connection with the Evergreen Transaction, Evergreen s auditors for such periods identified and reported a material weakness in Evergreen s internal control.

The four material weaknesses for the Reynolds consumer products business for the year ended December 31, 2008 related to inadequate account reconciliation processes, inappropriate accounting for aluminum derivatives contracts under IFRS, inadequate controls for our inventory costing and valuation and an aggregation of various control weaknesses related to international operations of the Reynolds consumer products business. The two material weaknesses for Closures for the year ended December 31, 2008 related to inappropriate accounting for certain contracts under the applicable derivatives accounting policy and the aggregation of various control weaknesses related to Closures international operations. The material weakness for Evergreen in each of the 2007 and 2008 fiscal years related to inadequate preparation and review of Evergreen s consolidated statements of cash flows, which resulted in misstatements not being detected in a timely manner and the improper classification of certain cash flow items, including certain related party borrowings. As a consequence of the material weakness for the 2007 and 2008 fiscal periods, Evergreen restated its historical statements of cash flows for the years ended December 31, 2007 and 2008.

Beginning in the second half of 2009, we initiated a number of activities aimed at addressing the material weaknesses of, and enhancing the overall control environment within, the RGHL Group, including our

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Closures segment and the Reynolds consumer products business of our Reynolds Consumer Products segment. Separately, Evergreen developed and executed a remediation plan for its material weakness. Based on the actions taken with respect to these remediation plans, these material weaknesses were remediated as of December 31, 2010.

If we discover material weaknesses or significant deficiencies in the future, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC, and to prevent fraud, will be adversely affected, and our financial statements could prove to be unreliable. The discovery of further material weaknesses or significant deficiencies in the future could require the restatement of prior period operating results. Any of the foregoing could negatively affect the market price and trading liquidity of the notes, result in a breach of the covenants under our debt agreements, cause investors to lose confidence in our reported financial information, subject us to regulatory investigations and penalties and generally materially and adversely impact our business, financial condition, results of operations or cash flows.

Risks Related to Our Structure, the Guarantees, the Collateral and the Notes

Our substantial indebtedness could adversely affect our ability to fulfill our obligations under the notes.

We have a substantial amount of outstanding indebtedness which totaled $17,471 million as of December 31, 2011 and would have totaled $18,084 million on a pro forma basis after giving effect to the 2012 Refinancing Transactions. Refer to note 25 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus, for details of the RGHL Group s borrowings as of December 31, 2011 and see Unaudited Pro Forma Combined Financial Information for information relating to our pro forma indebtedness.

Our substantial indebtedness could have significant consequences for you. For example, it could:

- make it more difficult for us to generate sufficient cash to satisfy our obligations with respect to the notes and our other indebtedness;
- increase our vulnerability to general adverse economic and market conditions;
- limit our ability to obtain additional financing necessary for our business;
- require us to dedicate a substantial portion of our cash flow from operations to payments in relation to indebtedness, reducing the amount of cash flow available for other purposes, including working capital, capital expenditures, acquisitions and other general corporate purposes;
- require us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet debt payment obligations;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a possible competitive disadvantage compared to our competitors that have less debt;
- expose us to risks that are inherent in interest rate and currency fluctuations because certain of our indebtedness bears variable rates of interest and is in various currencies; and

subject us to financial and other restrictive covenants, and, if we fail to comply with these covenants and that failure is not waived or cured, could result in an event of default under our indebtedness.

Despite our substantial indebtedness we may be able to incur substantially more debt.

Despite our substantial indebtedness we may be able to incur or issue substantial additional debt in the future. Although restrictions on the incurrence of additional debt are contained in the indentures governing the notes (except for the old February 2012 Notes) and the 2007 Notes, in the terms of our Senior Secured Credit Facilities and in our other financing arrangements, these restrictions are subject to a number of qualifications and exceptions. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness as defined in such restrictions, such as certain contingent obligations incurred in the ordinary course of business and deferred or prepaid revenues or marketing fees.

Our ability to incur indebtedness depends, in part, upon our satisfaction of certain financial covenants in the indentures governing the notes (except for the old February 2012 Notes) and the 2007 Notes and in the terms of our Senior Secured Credit Facilities. Under the indentures governing the notes (except for the old February 2012 Notes) and the 2007 Notes, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Indebtedness may be incurred under the incurrence tests if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis and, (i) under the indentures that govern our senior secured notes, the liens securing first lien secured indebtedness do not exceed a 3.50 to 1.00 senior secured leverage ratio and (ii) under the indentures that govern our senior notes (except for the old February 2012 Notes) and the 2007 Notes, the liens securing any secured indebtedness do not exceed a 4.50 to 1.00 secured leverage ratio.

Under the credit agreement governing the Senior Secured Credit Facilities, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of $750 million, subject to pro forma compliance with the Senior Secured Credit Facilities financial covenants. In addition, we may incur incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in an unlimited amount so long as our senior secured leverage ratio does not exceed 3.50 to 1.00 on a pro forma basis and (in the case of incremental senior secured indebtedness under the Senior Secured Credit Facilities only) we are in pro forma compliance with the Senior Secured Credit Facilities financial covenants. The incurrence of unsecured indebtedness, including the issuance of senior notes, and unsecured subordinated indebtedness is also permitted subject to pro forma compliance with the Senior Secured Credit Facilities financial covenants.

The amount of indebtedness that we can incur at any point in time will vary materially as a result of historical and pro forma changes in our earnings, cash flows and performance against agreed ratios and other results and factors.

Restrictive covenants in the notes and our other indebtedness could adversely affect our business by limiting our operating and strategic flexibility.

The respective indentures governing the notes (except for the old February 2012 Notes) contain restrictive covenants that limit our ability to, among other things:

- incur or guarantee additional indebtedness or issue preferred stock or disqualified stock, including to refinance existing indebtedness;
- pay dividends or make distributions in respect of capital stock;
- purchase or redeem capital stock;
- make certain investments or certain other restricted payments;
- create or incur liens;
- sell assets;

agree to limitations on the ability of certain of our subsidiaries to make distributions;

enter into transactions with affiliates; and

effect a consolidation, amalgamation or merger.

These restrictive covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In addition, the Senior Secured Credit Facilities contain, and our future indebtedness may contain, other and more restrictive covenants and also prohibit us from prepaying certain of our other indebtedness, including the notes and the 2007 Notes, prior to discharge of the Senior Secured Credit Facilities or such future indebtedness. The senior secured notes and the 2007 UK Intercreditor Agreement also contain restrictions on our ability to prepay the 2007 Notes prior to the redemption of the senior secured notes and, in the case of the 2007 UK Intercreditor Agreement, the Senior Secured Credit Facilities. The Senior Secured Credit Facilities require us to maintain leverage ratios and interest coverage ratios. Our future indebtedness may contain similar or other financial ratios set at levels determined by us and our future lenders. The ability to meet those financial ratios could be affected by a deterioration in our operating results, as well as by events beyond our control, including increases in raw material prices and unfavorable economic conditions, and we cannot assure you that those ratios will be met. It may be necessary to obtain waivers or amendments with respect to covenants under the indentures governing the notes, the terms of the Senior Secured Credit Facilities or our future indebtedness from time to time, but we cannot assure you that we will be able to obtain such waivers or amendments. A breach of any of these covenants, ratios or restrictions could result in an event of default under the indentures governing the notes and the 2007 Notes, the terms of the Senior Secured Credit Facilities or our future indebtedness and any of our other indebtedness or result in cross-defaults under certain of our indebtedness. Upon the occurrence of an event of default under the indentures governing the notes, the terms of the Senior Secured Credit Facilities or such other indebtedness, the lenders could terminate their commitment to lend and elect to declare all amounts outstanding under such indebtedness, together with accrued interest, to be immediately due and payable. If the lenders accelerate the payment of that indebtedness or foreclose on the assets securing that indebtedness, including the collateral, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including the notes.

Our ability to generate the significant amount of cash needed to pay interest and principal on the notes and service our other debt and the ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.

Our ability to generate sufficient cash flow from operations to make scheduled payments on, or to refinance obligations under, our debt will depend on our financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business-related factors, many of which may be beyond our control. See Risks Related to Our Business above.

As of December 31, 2011, after giving pro forma effect to the 2012 Refinancing Transactions, we would have had $18,084 million of outstanding indebtedness. After giving pro forma effect to the 2012 Refinancing Transactions, our annual cash interest obligations on our Senior Secured Credit Facilities, the notes, and our other indebtedness are expected to be $1,450 million. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce working capital levels, reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure all or a portion of our debt. In the future, our cash flow and capital resources may not be sufficient to allow us to make payments of principal and interest on our debt. Any alternative measures we may take may not be successful or be on commercially reasonable terms and may not permit us to meet our scheduled debt service obligations, including the payment of interest or principal in respect of the notes. In addition, we may want or need to refinance some or all of our indebtedness prior to maturity. We cannot assure you that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our anticipated high levels of debt, prevailing market conditions and the debt incurrence restrictions imposed by the agreements governing our debt. In the absence of sufficient cash flow and capital resources, we could face substantial liquidity problems and may be required to dispose of material assets or operations to meet our debt service and other obligations. The indentures governing the notes and the 2007 Notes, the terms of the Senior Secured Credit Facilities and the agreements governing our other debt restrict, and our future indebtedness is likely to restrict, both our ability to dispose of assets and the use of proceeds from any such disposition. We cannot assure you that we will be able to consummate any asset sales, or if we do, what the timing of the sales will be or whether the proceeds that we realize will be adequate to meet our debt service obligations when due or that we will be contractually permitted to apply such proceeds for that purpose. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to implement any of these alternative measures, would have a material adverse effect on our business, financial condition and results of operations.

Mr. Graeme Hart, our strategic owner, controls us through a number of holding companies, including Packaging Holdings Limited, and may have conflicts of interest with the holders of our debt or us in the future.

Mr. Graeme Hart indirectly owns through Packaging Holdings Limited all of our common stock and the actions he is able to undertake as our sole ultimate shareholder may differ from or adversely affect the interests of our debt holders. Because Mr. Hart ultimately controls our voting shares and those of all of our subsidiaries, he has and will continue to have the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as to elect our directors and those of our subsidiaries, to change our management and to approve any other changes to our operations. Additionally, Mr. Hart is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete, directly or indirectly, with us. Mr. Hart may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Finally, because none of our securities are listed on a securities exchange in the U.S., we are not subject to certain of the corporate governance requirements of a U.S. securities exchange, including any requirement to have any independent directors.

An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.

A significant portion of our outstanding debt, including the indebtedness we have incurred under the Senior Secured Credit Facilities and, potentially, our future indebtedness, bears interest at variable rates. As of December 31, 2011, net of hedging instruments, we had $4,618 million of variable rate debt outstanding. As a result, an increase in interest rates, whether because of an increase in market interest rates or an increase in our cost of borrowing, would increase the cost of servicing this debt and could materially reduce our profitability and adversely affect our ability to meet our obligations under the notes. The impact on us of such an increase would be more significant than it would be on some other companies because of our substantial debt.

The notes are joint and several obligations of a Luxembourg-based société anonyme (limited liability company), a United States-based corporation and a United States-based limited liability company, each having no independent operations or subsidiaries, and as a result, the Issuers ability to service the notes is dependent on cash flow generated by members of the RGHL Group and their ability and willingness to make distributions to the Issuers.

US Issuer is a finance company with no operations of its own, and it has no material assets. US Co-Issuer is a finance company with no operations of its own, and its only material assets are certain intercompany proceeds loans to which it is a party. Lux Issuer is a finance company with no operations of its own, and its only material assets are certain intercompany proceeds loans to which it is a party. As a result of the foregoing, the Issuers cash flows and their ability to service their indebtedness, including their ability to pay the interest and principal amount in respect of the notes when due, depend on the performance of the RGHL Group and the ability of members of the RGHL Group to provide funds to the Issuers.

Accordingly, repayment of the Issuers indebtedness, including the notes, depends on the generation of cash flow by the RGHL Group, and (if they are not guarantors of the notes) the ability of RGHL Group members to make such cash available to the Issuers whether by dividend, debt repayment, investment, loan, advance or otherwise. Unless they are guarantors of the notes, members of the RGHL Group do not have any obligation to pay amounts due on such notes or to make funds available for that purpose. Our subsidiaries may not be able to make payments to each Issuer to enable it to make payments in respect of its indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit the Issuers ability to obtain cash from our subsidiaries. While the indentures governing the notes will limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Issuers, these limitations are subject to certain qualifications and exceptions. In the event that the Issuers do not receive payments from our subsidiaries, they may be unable to make required principal and interest payments on their indebtedness, including the notes.

In addition, any payment of interest, dividends, distributions, debt repayments, investments, loans or advances by our subsidiaries to the Issuers could be subject to restrictions on such payments under applicable local law, monetary transfer restrictions, withholding taxes and foreign currency exchange regulations in the jurisdictions in which the subsidiaries operate or under arrangements with local partners.

The issuer of the 2007 Notes is a finance subsidiary that has no revenue generating operations and depends on payments received under proceeds loans to make payments on the 2007 Notes.

The issuer of the 2007 Notes is a finance subsidiary that was formed in connection with the offering of the 2007 Notes. The issuer of the 2007 Notes is not permitted to engage in any activities other than the issuance of the 2007 Notes, shares, any additional notes and any other permitted debt and activities that are incidental to or necessary or convenient to the foregoing. The issuer of the 2007 Notes has no subsidiaries and its only material asset and potential source of income is its right to receive payments under its loans to BP I of the proceeds of the 2007 Notes (the 2007 Proceeds Loans). The ability of the issuer of the 2007 Notes to make payments on the 2007 Notes is therefore dependent on the payments received under the 2007 Proceeds Loans and other funds that may be received from BP I and its subsidiaries. However, there is no obligation on the part of BP I and its subsidiaries to provide funds to the issuer of the 2007 Notes other than the guarantees mentioned below and the 2007 Proceeds Loans. If payments on the 2007 Proceeds Loans are not made by BP I, for whatever reason, the issuer of the 2007 Notes may not have funds available to it that would permit it to make payments on the 2007 Notes. In such circumstances, the holders of the 2007 Notes would have to rely upon claims for payment under the guarantees and recovery, if any, under the pledges of the 2007 Proceeds Loans (which are not first ranking), which claims and recoveries would be subject to a number of significant risks, including those described below.

BP I, the borrower under the 2007 Proceeds Loans, is an intermediate holding company that is an indirect parent company of our operating subsidiaries. BP I has no material assets other than shares of its subsidiaries and certain intercompany loans, payables and receivables. As a consequence of the foregoing, BP I s ability to make payments under the 2007 Proceeds Loans and, in turn, the issuer of the 2007 Notes ability to make payments on the 2007 Notes, will be substantially dependent upon dividends, loans and other intercompany payments from BP I s subsidiaries. BP I s subsidiaries may not be able to generate sufficient cash to make such payments or have adequate distributable reserves to distribute funds to BP I to enable it to make payments on the 2007 Proceeds Loans. Furthermore, the ability of BP I s subsidiaries to distribute earnings to BP I by way of dividends, distributions, interest returns on investments, including repayment of loans and other payments, is subject to various restrictions arising under applicable corporate law (which, for example, limit the amount that may be paid as a dividend out of the retained profit of the relevant entity) and contained in the debt instruments of such subsidiaries, including restrictions imposed by the Senior Secured Credit Facilities, the notes and other existing indebtedness. Future indebtedness of BP I s subsidiaries will also likely limit the ability to make such payments.

The receivables under the 2007 Proceeds Loans are pledged to secure indebtedness under and in connection with the Senior Secured Credit Facilities and the senior secured notes on a basis that ranks ahead of the security over such receivables that was granted for the benefits of the holders of the 2007 Notes. In addition, receivables under the 2007 Proceeds Loans are pledged to secure the indebtedness under the 2007 Senior Notes on a basis that ranks ahead of the security over such receivables that was granted for the benefit of the holders of the 2007 Senior Subordinated Notes.

The 2007 Proceeds Loans are also subject to subordination provisions similar to those applicable to the senior subordinated guarantees of the 2007 Senior Notes and the subordinated guarantees of the 2007 Senior Subordinated Notes, including payment blockage, standstill on enforcement and turnover provisions in favor of the Senior Secured Credit Facilities and the senior secured notes.

A failure to comply with the debt covenants in the agreements governing our indebtedness could lead to an acceleration of our debt and possibly bankruptcy.

The Senior Secured Credit Facilities, the notes, the 2007 Notes and our other indebtedness require us, and our future indebtedness is also likely to require us, to meet certain covenants. A default under any of our debt instruments could result in the accelerated repayment of our debt and possibly bankruptcy. This will negatively impact our ability to fulfill our obligations on the notes and you will not recover your investment in the notes.

The RGHL Group is required to comply with covenants under its various debt agreements, which may be subject to multiple interpretations.

The RGHL Group is subject to covenants under its various debt agreements, such as the indentures governing the notes, the 2007 Notes and the credit agreement governing the Senior Secured Credit Facilities. These covenants may be subject to multiple interpretations, and, from time to time, parties to our debt agreements may disagree with our interpretation of these covenants. Disagreements with respect to the interpretation of these covenants may result in allegations of non-compliance which could result in a default or event of default under our indebtedness, either of which could materially adversely affect our financial condition.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness that is not cured or waived, as applicable, by the required lenders or noteholders thereunder, and the remedies sought by the holders of such indebtedness, could prevent us from making payments of principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. In the event of any such default, the holders of such indebtedness could elect to declare all outstanding amounts thereunder to be due and payable, together with accrued and unpaid interest, and this may also cause a cross default in our other indebtedness. If our operating performance declines, and we breach our covenants under the agreements governing such indebtedness, we may need to seek waivers from the noteholders and the lenders under the Senior Secured Credit Facilities, or holders of our other indebtedness to avoid being in default. We may not be able to obtain a waiver from the required number of lenders or noteholders. If this occurs, we would be in default under such indebtedness, the lenders or noteholders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation.

We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the respective indentures governing the notes and similar requirements in the agreements governing our other indebtedness.

If a specified change of control occurs in relation to us, the Issuers and the issuer of the 2007 Notes would be required to make an offer to purchase all of the outstanding notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. The occurrence of a change of control under the notes would require that the Senior Secured Credit Facilities, and may require that any of our future indebtedness, be immediately repaid or that we make an offer to repurchase it, possibly at a premium or subject to penalties. The Issuers and the issuer of the 2007 Notes may be dependent on RGHL and its subsidiaries for the funds necessary to cure the events of default, or fund any mandatory prepayment or redemption caused by such change of control event. RGHL and its subsidiaries may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control offer or to redeem such notes. A failure by the Issuers and the issuer of the 2007 Notes to purchase the notes after a change of control in accordance with the terms of the indentures requiring such purchases would result in a default under the agreement governing the Senior Secured Credit Facilities and the indentures governing the notes and the 2007 Notes and may result in a default under any future indebtedness.

The occurrence of a change of control may not be under our control and may occur at any time. For example, Packaging Finance Limited, the direct parent of RGHL, has pledged 100% of its shares in RGHL to certain lenders in connection with a financing arrangement. Consequently, it is possible that such lenders may enforce the pledge against Packaging Finance Limited and foreclose on the RGHL shares for reasons outside of our control. Such foreclosure may result in a change of control under the terms of the indentures governing the notes. In the event of a change of control, we cannot assure you that we will have sufficient assets to satisfy all of our obligations under the Senior Secured Credit Facilities, the notes, the 2007 Notes, any future indebtedness and any other debt requiring repayment upon such event.

The terms of the Senior Secured Credit Facilities limit, and our future indebtedness may limit, our right to purchase or redeem certain indebtedness. In addition, the senior secured notes contain restrictions on our ability to repay the 2007 Notes. In the event any purchase or redemption is prohibited, we may seek to obtain waivers from the required lenders under the Senior Secured Credit Facilities or our future lenders to permit the required repurchase or redemption, but the required lenders do not have, and our future lenders are unlikely to have, any obligation to grant, and may refuse to grant, such a waiver.

Each series of our notes, the 2007 Notes, the Senior Secured Credit Facilities and the Pactiv Notes will mature in close proximity to each other, which may limit our ability to repay all amounts owing on the notes at maturity or borrow or otherwise raise the amounts necessary to repay such amounts.

The February 2012 Notes and the August 2011 Notes will mature on August 15, 2019, the February 2011 Notes will mature on February 15, 2021, the October 2010 Notes will mature on April 15, 2019, the May 2010 Notes will mature on May 15, 2018, the term loans under the Senior Secured Credit Facilities will mature on February 9, 2018, Pactiv s 6.40% notes due 2018, or the Pactiv 2018 Notes, will mature on January 15, 2018, Pactiv s 8.125% Debentures due 2017 will mature on June 15, 2017, the 2009 Notes will mature on October 15, 2016, the 2007 Senior Notes will mature on December 15, 2016, the 2007 Senior Subordinated Notes will mature on June 15, 2017 and the revolving facilities under the Senior Secured Credit Facilities will mature on November 5, 2014. As a result, we may not have sufficient cash to repay all amounts owing on the notes, the 2007 Notes or the Pactiv Notes at maturity. Given that each series of our notes, the 2007 Notes, the Senior Secured Credit Facilities and the Pactiv Notes will mature in close proximity to each other, there can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay such amounts, and the prior maturity of such other indebtedness may make it difficult to refinance the notes and our other indebtedness.

Not all of our subsidiaries guarantee the notes and the 2007 Notes, and the notes, the 2007 Notes and the related guarantees will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

The notes are guaranteed by RGHL, BP I, and, subject to certain conditions and exceptions, certain subsidiaries of BP I that are borrowers under or guarantee or are expected to guarantee the Senior Secured Credit Facilities, as well as, in the case of the 2007 Notes, the Issuers. The issuer of the 2007 Notes does not guarantee the notes or the Senior Secured Credit Facilities. In the future, other subsidiaries will be required to guarantee the notes only under certain limited circumstances. See Description of the 2009 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the February 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the August 2011 Senior Secured Notes Certain Covenants Future Senior Secured Note Guarantors, Description of the May 2010 Notes Certain Covenants Future Note Guarantors, Description of the October 2010 Senior Notes Certain Covenants Future Senior Note Guarantors, Description of the February 2011 Senior Notes Certain Covenants Future Senior Note Guarantors and Description of the August 2011 Senior Notes and the New February 2012 Notes Certain Covenants Future Senior Note Guarantors. The indentures governing the notes do not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our non-guarantor subsidiaries.

In addition, although Graham Holdings and certain of its subsidiaries have guaranteed the notes, not every subsidiary of Graham Holdings, including all such subsidiaries organized outside the United States, will provide a guarantee.

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In the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved, or is otherwise wound up other than as part of a solvent transaction, the assets of such non-guarantor subsidiary will be used first to satisfy the claims of its creditors, including its trade creditors, banks and other lenders. Only the residual equity value will be available to the Issuers, the issuer of the 2007 Notes and any other guarantor, and only to the extent the Issuers or any guarantor are parent companies of such non-guarantor subsidiary. Consequently, the notes and each guarantee of the notes will be structurally subordinated to claims of creditors of non-guarantor subsidiaries. The indentures governing the notes permit our subsidiaries, including our non-guarantor subsidiaries, to incur additional debt (subject to certain conditions and limitations with respect to restricted subsidiaries) and do not limit their ability to incur trade payables and similar liabilities.

Fraudulent conveyance laws and other similar limitations may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security.

The notes, the 2007 Notes, the related guarantees and any security securing the senior secured notes or the related guarantees may be subject to claims that they should be limited or voided in favor of our existing and future creditors under applicable law, including laws in Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, England and Wales and the United States. In addition, the enforcement of the notes and the guarantees and the amount that can be recovered under a security interest in respect of any asset is limited to the extent of the amount which can be guaranteed by a particular guarantor, security provider, the Issuers or the issuer of the 2007 Notes without rendering the applicable guarantee or security voidable or otherwise ineffective under applicable law. Moreover, the enforcement of the notes, guarantees or security against any Issuer, the issuer of the 2007 Notes, a relevant guarantor or a security provider will be subject to certain defenses available to the Issuers, the issuer of the 2007 Notes, guarantors or security providers generally under (i) the laws of New York, which govern the notes and the guarantees, (ii) the laws governing the relevant security document, and (iii) laws applicable to companies and other corporate entities in the jurisdiction in which the relevant Issuer, the issuer of the 2007 Notes or guarantor or, if applicable, security provider is organized. These laws and defenses include those that relate to fraudulent conveyance or transfer, fraudulent or voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization, unlawful dividend and defenses affecting the rights of creditors or other stakeholders generally. See Certain Insolvency and Other Local Law Considerations for additional information.

Although laws differ significantly among jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any note obligation, guarantee or security obligation if it found that at the time any Issuer, the issuer of the 2007 Notes, guarantor or security provider, as applicable, issued the notes or incurred obligations under a guarantee or any security, such Issuer, the issuer of the 2007 Notes, guarantor or security provider did so with the intent of preferring, hindering, delaying or defrauding current or future creditors, or received less than reasonably equivalent value or fair consideration for issuing the notes, incurring the guarantee or providing the security, as applicable, and:

- was insolvent or was rendered insolvent by reason of the incurrence of the indebtedness constituting the notes or the guarantee or providing the security, as applicable;
- was engaged, or about to engage, in a business or transaction for which its assets constituted unreasonably small capital;
- intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured;
- was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, after final judgment the judgment is unsatisfied; or

in the case of a guarantee or security, the guarantee or security was not in the best interests or for the benefit of the guarantor or security provider.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in the relevant legal proceeding. Generally, however, an issuer, a guarantor or a security provider could be considered insolvent if:

- it has failed to pay an amount that is due and in relation to which the creditor has served a written demand;
- it has failed to pay its liabilities generally as they become due;
- the sum of its debts, including contingent liabilities, is greater than its assets, at a fair valuation; or
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

We cannot give you any assurance as to what standards a court would use to determine whether the issuer of the 2007 Notes or any Issuer, guarantor or security provider was solvent at the relevant time, or whether, notwithstanding the standard used, the notes or the applicable guarantee or security would not be avoided on other grounds, including those described above.

Laws similar to those described above may also apply to any future guarantee or security granted by one of our subsidiaries. For information about certain insolvency and other local law considerations of different jurisdictions that we or our subsidiaries are subject to, see Certain Insolvency and Other Local Law Considerations.

Insolvency laws could limit your ability to enforce your rights under the notes, the 2007 Notes, the guarantees and, in the case of the senior secured notes, the security.

Any insolvency proceedings with regard to any Issuer, the issuer of the 2007 Notes, a guarantor or, if applicable, a security provider would most likely be based on and governed by the insolvency laws of the jurisdiction under which the relevant entity is organized. As a result, in the event of insolvency with regard to any of these entities, the claims of holders of the notes against any Issuer, a guarantor or a security provider may be subject to the insolvency laws of its jurisdiction of organization. The provisions of such insolvency laws differ substantially from each other, including with respect to rights of creditors, priority of claims and procedure and may contain provisions that are unfavorable to holders of notes. In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in cross-border insolvency proceedings. See Certain Insolvency and Other Local Law Considerations.

As a general matter, under insolvency law, any Issuer s, the issuer of the 2007 Notes, any guarantor s or any security provider s liabilities in respect of the notes and the guarantees and, if applicable, security, may, in the event of insolvency or similar proceedings, rank junior to certain of such Issuer s, the issuer of the 2007 Notes or guarantor s or any security provider s debts that are entitled to priority under the laws of such jurisdiction. Debts entitled to priority may include (i) amounts owed in respect of employee pension schemes, (ii) certain amounts owed to employees, (iii) amounts owed to governmental agencies, including tax authorities, and (iv) expenses of an insolvency practitioner. In addition, in some jurisdictions, an examiner or administrator or similar party may be legally required to consider the interest of third parties (including, for example, employees) or the best interests of the relevant company in connection with the proceedings. In certain cases, the ability of a holder to collect interest accruing on the notes in respect of any period after the commencement of liquidation proceedings and a holder s rights in respect of the guarantees may be limited.

Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult.

The notes are joint and several obligations of the Issuers. The 2007 Notes were offered by an entity organized under the laws of Luxembourg. The notes and the 2007 Notes are guaranteed by certain of our subsidiaries which are organized under the laws of Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands,

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New Zealand, Switzerland, Thailand, England and Wales and the United States. The Issuers, the issuer of the 2007 Notes, BP I and certain of its subsidiaries have also granted security over certain of their assets to secure the obligations of the Issuers and the issuer of the 2007 Notes (as applicable) under the senior secured notes, the 2007 Notes and the related guarantees. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions or in the jurisdiction of organization of a future guarantor. The rights of holders under the notes, the guarantees and the security granted in respect of the senior secured notes will be subject to the laws of several jurisdictions and holders of the senior secured notes and the 2007 Notes may not be able to enforce effectively their rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors rights. See Certain Insolvency and Other Local Law Considerations.

In addition, the bankruptcy, insolvency, foreign exchange, administration and other laws of the various jurisdictions in which the Issuers, the issuer of the 2007 Notes, guarantors and security providers are located may be materially different from or in conflict with one another and those of the United States, including in respect of creditors rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The consequences of the multiple jurisdictions involved in the transaction could trigger disputes over which jurisdiction s law should apply and choice of law disputes which could adversely affect the ability of noteholders to enforce their rights and to collect payment in full under the notes, the guarantees and any security. See Certain Insolvency and Other Local Law Considerations.

The beneficial owners of the senior secured notes are not party to any of the security documents. Therefore, in certain jurisdictions, such as Germany, Austria, Switzerland, Hungary and the Netherlands, there are risks regarding the enforceability of the security interests granted by an Issuer or guarantor in favor of the noteholders. In order to mitigate this risk the collateral agents have entered or will enter, as applicable, into a parallel debt undertaking pursuant to which the collateral agents hold the secured claims in an amount equal to the principal amount of the senior secured notes plus certain other amounts for the benefit of the trustee and the holders of the senior secured notes. Accordingly, the rights of the holders of senior secured notes are not directly secured by the pledges of the collateral but through this parallel claim. The parallel claim is acknowledged by the applicable issuer or guarantor by way of a parallel debt undertaking to the relevant collateral agent. The parallel debt undertaking secures the senior secured notes and the relevant guarantees and the collateral secures claims under the parallel debt undertaking. There is uncertainty as to the enforceability of this procedure in many jurisdictions, including Germany, Austria, Switzerland, Hungary and the Netherlands. For example, this procedure has not yet been tested under German, Austrian, Swiss, Hungarian or Dutch law, and we cannot assure you that it will eliminate or mitigate the risk of unenforceability posed by German, Austrian, Swiss, Hungarian, or Dutch law or the law of any other jurisdiction where parallel debt is used. See Enforcement of Civil Liabilities and Certain Insolvency and Other Local Law Considerations.

You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers.

Many of our directors and executive officers and most of the guarantors as well as the Lux Issuer and the issuer of the 2007 Notes are, and will continue to be, non-residents of the United States, and most of the assets of these companies are located outside of the United States. As a consequence, you may not be able to effect service of process on the Lux Issuer, the issuer of the 2007 Notes and guarantors located outside the United States or the non-United States resident directors and officers in the United States or to enforce judgments of United States courts in any civil liabilities proceedings under the United States federal securities laws. Moreover, any judgment obtained in the United States against the non-resident directors, the executive officers, the Lux Issuer, the issuer of the 2007 Notes or the guarantors, including judgments with respect to the payment of principal, premium, if any, and interest on the notes, may not be collectible in the United States. There is also uncertainty about the enforceability in the courts of certain jurisdictions, including judgments obtained in the United States against certain of the guarantors, whether or not predicated upon the federal securities laws of the United States. See Enforcement of Civil Liabilities.

In particular, Lux Issuer and the issuer of the 2007 Notes are public limited liability companies (société anonyme) organized under the laws of Luxembourg. Certain of their officers and directors may be residents of various jurisdictions outside the United States. All or a substantial portion of their assets may be located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to enforce judgments obtained against such persons in United States courts and predicated upon the civil liability provisions of the United States federal securities laws.

In addition, since the United States and Luxembourg are not currently party to a treaty with respect to the mutual recognition and enforcement of civil judgments, a judgment obtained against a Luxembourg company in the United States courts in a dispute with respect to which the parties have validly agreed that such courts are to have jurisdiction, will not be directly enforced by the courts in Luxembourg. In order to obtain a judgment which is enforceable in Luxembourg, the claim must be re-litigated before a competent court of Luxembourg. The relevant Luxembourg court will have discretion to attach such weight to a judgment of the courts of the United States as it deems appropriate based on Luxembourg case law. The courts of Luxembourg may recognize the binding effect of a final, conclusive and enforceable money judgment of a court of competent jurisdiction in the United States provided that certain conditions as set forth in Article 678 *et seq.* of the Luxembourg New Code of Civil Procedure are satisfied. As a result, even if a favorable judgment is obtained against the Lux Issuer or the issuer of the 2007 Notes in the United States, such judgment might not be enforced by the courts in Luxembourg and may need to be re-litigated in Luxembourg. See Enforcement of Civil Liabilities Luxembourg.

The calculation of EBITDA pursuant to the indentures governing the notes permits certain estimates and assumptions that may differ materially from actual results, and the estimated savings expected from our cost saving plans may not be achieved.

Although all of the combined and stand-alone EBITDA and Adjusted EBITDA presentations included in this prospectus are derived from our or our acquired companies financial statements, pro forma or historical, as the case may be, the various combined and stand-alone calculations of EBITDA and Adjusted EBITDA presented in this prospectus permit certain estimates and assumptions that may differ materially from actual results. Although we believe these estimates and assumptions are reasonable, investors should not place undue reliance upon any of these calculations given how they are calculated and the possibility that the underlying estimates and assumptions ultimately may not reflect actual results.

Potential investors should regard the assumptions with considerable caution and are urged to evaluate the potential for our results to deviate from the assumptions set out in Summary Summary Historical and Pro Forma Combined Financial Information and the implications of deviations in different assumptions on other assumptions and on our income and cash flows.

We have not presented individual financial statements or summary financial data for the guarantors of the notes (other than RGHL and BP I), the Issuers, the issuer of the 2007 Notes or other members of the RGHL Group and are not required to do so in the future under the indentures governing the notes.

We have not presented individual financial statements or summary financial data for the guarantors of the notes (other than RGHL and BP I), the Issuers, the issuer of the 2007 Notes or other members of the RGHL Group in this prospectus and may not be required to do so in the future under the indentures governing the notes. The absence of financial statements for the Issuers, the issuer of the 2007 Notes and the guarantors (other than RGHL and BP I) may make it difficult for holders of the notes to assess the financial condition or results of the Issuers and the guarantors or their compliance with the covenants in the indentures governing the notes.

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Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes or the 2007 Notes and the senior secured notes have only been secured by a limited pledge of certain of such foreign subsidiaries capital stock, with no pledge of the assets of any non-U.S. subsidiaries of our U.S. subsidiaries.

Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes or the 2007 Notes, and the notes and the 2007 Notes are and will be structurally subordinated to all claims of creditors, including trade creditors, of such non-U.S. subsidiaries.

In addition, with respect to the senior secured notes, the pledge of the securities of any first tier non-U.S. subsidiaries of our U.S. subsidiaries will be limited to 100% of their non-voting capital stock and 65% of their voting capital stock. There will be no pledge of the capital stock of non-U.S. subsidiaries of our U.S. subsidiaries other than first-tier non-U.S. subsidiaries. The senior secured notes have not and will not be secured by a pledge of the assets of any non-U.S. subsidiary of our U.S. subsidiaries. Accordingly, the senior secured notes are and will be effectively subordinated to such non-U.S. subsidiaries secured liabilities and obligations to the extent of the value of any assets that secure such liabilities and obligations.

We are not required to reorganize our corporate structure such that any non-U.S. subsidiaries of our U.S. subsidiaries will provide a guarantee or a pledge of their assets or such that a pledge of 100% of their voting capital stock can be granted.

Certain jurisdictions may impose withholding taxes on payments under the notes, guarantees or security documents or impose foreign exchange restrictions which may alter or reduce the amount recoverable by noteholders.

Payments made under the notes, guarantees or security granted by guarantors, security providers and the Issuers in certain jurisdictions may be subject to withholding tax, the amount of which will vary depending on the residency of the recipient, the availability of double-tax treaty relief and your legal relationship with the relevant guarantor, Issuer or security provider. In certain circumstances holders may be entitled to receive additional amounts in respect of such withholding tax, other than withholding tax imposed or levied by or on behalf of the United States or any political subdivision or governmental authority thereof or therein having power to tax. See Description of the 2009 Notes Withholding Taxes, Description of the October 2010 Senior Secured Notes Withholding Taxes, Description of the February 2011 Senior Secured Notes Withholding Taxes, Description of the August 2011 Senior Secured Notes Withholding Taxes, Description of the May 2010 Notes Withholding Taxes, Description of the October 2010 Senior Notes Withholding Taxes, Description of the February 2011 Senior Notes Withholding Taxes and Description of the August 2011 Senior Notes and the New February 2012 Notes Withholding Taxes. In addition, government or central bank approvals may be required in order for a guarantor, the Issuer or a security provider organized under the laws of certain jurisdictions, such as Thailand, to remit payments outside that jurisdiction under its guarantee or security.

In addition, foreign exchange controls applicable in certain jurisdictions may limit the amount of local currency that can be converted into other currencies, including dollars, upon enforcement of a guarantee or security interest.

You may face currency exchange risks by investing in the notes.

If you measure your investment returns in a currency other than the currency in which the notes or the 2007 Notes are denominated (dollars or euros, as the case may be), investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the dollar or the euro, as applicable, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the dollar or the euro, as applicable, against the currency in which you measure your investment returns would cause a decrease in the effective yield of the notes and the 2007 Notes below their stated coupon rates and could result in a loss to you when the return on the notes is translated into the currency in which you measure your investment returns. There may be tax consequences for you as a result of any foreign exchange gains or losses resulting from your investment in the notes or the 2007 Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the notes or the 2007 Notes.

Our access to capital markets, our ability to enter into new financing arrangements and our business operations could be significantly impaired if our credit ratings are downgraded.

Downgrades in our credit ratings could adversely affect our ability to access the capital markets and/or lead to increased borrowing costs in the future, although the interest rates on our current indebtedness would not be affected. Some rating agencies that provide corporate ratings on us or provide ratings on our debt may downgrade their corporate or debt ratings with respect to us. In addition, perceptions of us by investors, producers, other businesses and consumers could also be significantly impaired.

Because each guarantor s or security provider s liability under its guarantee or security may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors or security providers.

The notes and the 2007 Notes have the benefit of the guarantees of and, with respect to the senior secured notes, security from RGHL, BP I and certain of its subsidiaries, including the Issuers. In addition, the 2007 Notes have the benefit of security from RGHL and the issuer of the 2007 Notes. However, the guarantees and, with respect to the senior secured notes, the security, are limited to the maximum amount that the guarantors or the security providers are permitted to guarantee and secure under applicable law. As a result, a guarantor s or, with respect to the senior secured notes, a security provider s liability under a guarantee or a grant of security could be reduced to zero depending on the amount of other obligations of such entity. Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee or, with respect to the senior secured notes and the 2007 Notes, in respect of security, or subordinate the guarantee or security to other obligations of the guarantor or security provider. See Fraudulent conveyance laws and other similar limitations may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security. In addition, you will lose the benefit of a particular guarantee and security if it is released under certain circumstances described under Description of the 2009 Notes Note Guarantees, Description of the October 2010 Senior Secured Notes Senior Secured Note Guarantees, Description of the February 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the August 2011 Senior Secured Notes Senior Secured Note Guarantees, Description of the May 2010 Notes Note Guarantees, Description of the October 2010 Senior Notes Senior Note Guarantees, Description of the February 2011 Senior Notes Senior Note Guarantees and Description of the August 2011 Senior Notes and the New February 2012 Notes Senior Note Guarantees.

As a result, an entity s liability under its guarantee or, with respect to the senior secured notes, its security, could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee or security interest granted by a company that is not in the company s corporate interests or where the burden of that guarantee or security exceeds the benefit to the company may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee or security and that the applicable court may determine that the guarantee or security should be limited or voided. In the event that any guarantees or security are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee or secured obligation apply, the notes would rank pari passu with, or be effectively subordinated to, all liabilities of the applicable guarantor, including trade payables of such guarantor.

Relevant local insolvency laws may not be as favorable to you as U.S. bankruptcy laws and may preclude holders of the notes and the 2007 Notes from recovering payments due.

Certain members of the RGHL Group that are either an issuer or guarantors or, with respect to the senior secured notes, security providers (subject to certain exceptions) are organized under the laws of Australia,

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Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand or England and Wales. The procedural and substantive provisions of the insolvency laws of these countries may not be as favorable to creditors as the provisions of U.S. law.

See Certain Insolvency and Other Local Law Considerations for a description of the insolvency laws in Australia, Austria, Brazil, British Virgin Islands, Canada, Germany, Guernsey, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand and England and Wales that could limit the enforceability of the guarantees or, with respect to the senior secured notes, the security.

In the event that any one or more of the Issuers, the issuer of the 2007 Notes, the guarantors, security providers, any future guarantors or security providers or any other of our subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Pursuant to the European Union regulation on insolvency proceedings, any insolvency proceeding with regard to any Issuer, the issuer of the 2007 Notes, guarantor or security provider located within the European Union would most likely be held in, based on and governed by the insolvency laws of the jurisdiction of the relevant entity s center of main interests , which will not necessarily be the country in which it is incorporated. We cannot assure you as to how that regulation will be applied in insolvency proceedings relating to several jurisdictions within the European Union.

Primary note obligations, guarantees and security provided by entities organized in jurisdictions not summarized in this prospectus and, in the case of security governed by the laws of a jurisdiction not summarized in this prospectus, are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the primary note obligations, the guarantees and security after bankruptcy or an insolvency event in such other jurisdictions will possibly be subject to the insolvency laws of the relevant entity s jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction s laws should apply, adversely affect your ability to enforce your rights under the guarantees and security in these jurisdictions and limit any amounts that you may receive.

Most assets of the guarantors guaranteeing the senior notes are subject to control by creditors with liens securing the senior secured notes, the 2007 Notes and the Senior Secured Credit Facilities. If there is a default, the value of the assets may not be sufficient to repay the priority creditors and the holders of the senior notes.

The senior notes are unsecured but are guaranteed by certain subsidiaries of RGHL. Most of the assets of the guarantors of the senior notes are pledged, on a priority basis, for the benefit of the lenders under the Senior Secured Credit Facilities and for the benefit of the holders of the senior secured notes. In addition, the 2007 Notes have the benefit of a second lien (in the case of the 2007 Senior Notes) and a third lien (in the case of the 2007 Senior Subordinated Notes) on (i) the 2007 Proceeds Loans and (ii) BP I s stock. This may give holders of the 2007 Notes a benefit in a bankruptcy that would not be available to the holders of the senior notes and the holders of the senior notes could recover less as a result thereof. The indentures governing the notes and the 2007 Notes, as well as the terms of the Senior Secured Credit Facilities, allow the incurrence of additional senior secured indebtedness in the future. In the event of an insolvency or liquidation, or if payment under the senior secured notes, the 2007 Senior Notes, the Senior Secured Credit Facilities or any other secured debt is accelerated, the lenders under the Senior Secured Credit Facilities, holders of the senior secured notes, holders of the 2007 Notes and holders of any other secured debt will be entitled to exercise the remedies available to a secured lender under applicable law in addition to any remedies that may be available under documents pertaining to the Senior Secured Credit Facilities, the senior secured notes, the 2007 Senior Notes or any other secured debt and will be paid out of the assets pledged as collateral before these assets are made available to holders of the senior notes. In such event, the proceeds from the sale of such assets may not be sufficient to satisfy our obligations under the senior notes.

The holders of the senior notes have fewer rights than the holders of our Designated Senior Indebtedness.

The senior notes and the related guarantees constitute Senior Indebtedness for purposes of the indenture governing the 2007 Senior Subordinated Notes and, as such, in a liquidation, dissolution or bankruptcy of the Issuers or the note guarantors, holders of the senior notes and the related note guarantees will be entitled to receive payment in full of such notes and note guarantees before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment, other than certain permitted junior securities, in respect of such guarantees.

However, because the senior notes and related note guarantees do not, unlike the senior secured notes, the Senior Secured Credit Facilities and the 2007 Senior Notes, constitute Designated Senior Indebtedness for purposes of the indenture governing the 2007 Senior Subordinated Notes, the holders thereof have more rights than the holders of the senior notes. Thus, holders of the senior notes and related note guarantees are not entitled to the benefit of certain provisions in the indenture governing the 2007 Senior Subordinated Notes relating to the subordination of the 2007 Senior Subordinated Notes that provide rights only to holders of Designated Senior Indebtedness, not Senior Indebtedness, including, among other things, the benefits of delivering payment blockage notices or enforcing the turnover provisions of the indenture governing the 2007 Senior Subordinated Notes. Accordingly, holders of the senior notes may recover less than holders of Designated Senior Indebtedness as a result thereof. See Description of the May 2010 Notes Ranking, Description of the October 2010 Senior Notes Ranking, Description of the February 2011 Senior Notes Ranking and Description of the August 2011 Senior Notes and the New February 2012 Notes Ranking.

The senior notes and related note guarantees rank *pari passu* in right of payment with the guarantees of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities, and in each case, the related guarantees. Therefore, in the event that an Issuer or a note guarantor becomes a debtor in a United States bankruptcy case and in the event that claims under the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of the senior notes and note guarantees will rank pari passu in right of payment with the unsecured portion of claims of holders of the guarantees of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities, and, in each case, the related guarantees.

In addition, in such an event, we expect that claims of holders of the senior notes and related note guarantees will be senior in right of payment to the claims of holders of the guarantees of the 2007 Senior Subordinated Notes. However, because of the differences in the rights of the holders of the senior notes and the holders of Designated Senior Indebtedness, there can be no guarantee that a bankruptcy court would enforce the contractual subordination of the 2007 Senior Subordinated Notes in favor of the senior notes in the same manner as it would enforce the contractual subordination of the 2007 Senior Subordinated Notes in favor of the 2007 Senior Notes, the senior secured notes and the Senior Secured Credit Facilities.

Holders of the senior secured notes will not control certain decisions regarding collateral.

The trustee and collateral agent for the holders of the senior secured notes and the administrative agent under the Senior Secured Credit Facilities have entered into the First Lien Intercreditor Agreement. The First Lien Intercreditor Agreement provides, among other things, that the lenders under the Senior Secured Credit Facilities will control substantially all matters related to the collateral that secures the Senior Secured Credit Facilities, which collateral also secures the senior secured notes, and the lenders under the Senior Secured Credit Facilities may direct the collateral agents to foreclose on or take other actions with respect to such collateral with which holders of the senior secured notes may disagree or that may be contrary to the interests of holders of the senior secured notes. In addition, the First

Lien Intercreditor Agreement provides that, to the extent any collateral securing our obligations under the Senior Secured Credit Facilities is released to satisfy such creditor s claims in connection with such a foreclosure, the liens on such collateral securing the senior secured notes will also automatically be released without any further action by the trustee, collateral agents or the holders of the senior secured notes and the holders of the senior secured notes will agree to waive certain of their rights relating to such collateral in connection with a bankruptcy or insolvency proceeding involving us or any guarantor of the senior secured notes. The First Lien Intercreditor Agreement provides that the holders of the senior secured notes may not take any actions to direct foreclosures or take other remedial actions following an event of default under the Senior Secured Credit Facilities or the senior secured notes for at least 90 days and longer if the administrative agent under the Senior Secured Credit Facilities takes action to direct foreclosures or other actions following such event of default.

After the discharge of the obligations with respect to the Senior Secured Credit Facilities whether on enforcement or repayment, at which time the parties to the Senior Secured Credit Facilities will no longer have the right to direct the actions of any collateral agent with respect to the collateral pursuant to the First Lien Intercreditor Agreement, that right passes to the authorized representative of holders of the next largest outstanding principal amount of indebtedness secured by a first lien on the collateral.

In addition, subject to certain conditions, the security documents generally allow us and our subsidiaries to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral. This may impact the type and quality of the security interest granted in respect of the collateral. In addition, to the extent we sell any assets that constitute collateral, the proceeds from such sale will be subject to a lien securing the senior secured notes only to the extent such proceeds would otherwise constitute collateral securing the senior secured notes under the security documents. To the extent the proceeds from any sale of collateral do not constitute collateral under the security documents, the pool of assets securing the senior secured notes would be reduced and the senior secured notes would not be secured by the proceeds of the sale.

The rights of the holders of the 2007 Notes to proceeds from the pledges securing the 2007 Notes rank behind priority pledges over the same collateral.

The obligations under the indenture governing the 2007 Senior Notes are secured by a second-priority security interest in the capital stock of BP I and the receivables under the 2007 Proceeds Loans. The obligations under the indenture governing the 2007 Senior Subordinated Notes are secured by a third-priority security interest in such collateral. These security interests rank behind the first-priority security interest in that collateral in respect of the obligations under the Senior Secured Credit Facilities and the senior secured notes. In addition, certain other future indebtedness can be secured by security interests in the collateral that secures the obligations under the indentures governing the 2007 Notes. The distribution of any proceeds realized on enforcement of the security interests in the collateral in respect of the 2007 Notes will be made in accordance with the terms, including the subordination provisions, of the 2007 UK Intercreditor Agreement and the indentures governing the 2007 Notes. It is possible that the amount realized upon enforcement of the security interest in the collateral in respect of the 2007 Notes may not be sufficient to pay all of the indebtedness secured by the security interests in the collateral, and that holders of the 2007 Notes will not recover the full amounts due to them under the 2007 Notes (or any amounts at all).

Under the 2007 UK Intercreditor Agreement, the First Lien Intercreditor Agreement and the indentures governing the 2007 Notes, the pledges of the collateral can be released in a variety of circumstances, including the release and retaking of security in order to secure other indebtedness with such collateral. Such a release and retake is likely to restart any applicable preference or hardening periods applicable to such security interests under relevant insolvency laws.

There may not be sufficient collateral to satisfy our obligations under all or any of the senior secured notes and the 2007 Notes.

Much of our assets are not and will not be collateral for the senior secured notes, or our other secured indebtedness, and the collateral for the 2007 Notes is even more limited, and no appraisals of the fair market value of any assets that are collateral were prepared in connection with the offerings of the senior secured notes or the 2007 Notes. The assets that will be excluded from the collateral include all assets of foreign subsidiaries of our U.S. subsidiaries and a number of Pactiv s real properties. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the collateral. The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of our assets will not constitute collateral for the senior secured notes, the 2007 Notes (which as noted above are secured only by limited collateral) or our other secured indebtedness. Accordingly, the value of the collateral securing our indebtedness, including the senior secured notes, the 2007 Notes and the Senior Secured Credit Facilities and our other indebtedness that shares in the collateral, could be substantially less than the aggregate principal amount of our secured indebtedness. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value or market. While we do not presently believe the senior secured notes or our other secured indebtedness are under-collateralized, the value of the assets pledged as collateral for the senior secured notes or our other secured indebtedness could be impaired in the future as a result of changing economic conditions in the relevant jurisdictions, changing legal regimes, our failure to implement our business strategy, competition and other future trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the collateral may be insufficient to pay our obligations under the senior secured notes, the 2007 Notes or our other secured indebtedness.

Most of the collateral is subject to the prior or equal claims of other creditors which could diminish any recovery from the collateral. Certain other creditors may have, or in the case of the 2007 Notes, do have, permitted liens which rank prior to the liens of the noteholders in the collateral. In addition, certain other creditors may have permitted liens which rank junior to the liens of the noteholders in the collateral, such as, in the case of the senior secured notes, the collateral securing the 2007 Notes. The indentures governing the notes also permit us to incur additional indebtedness that may share in the collateral on a senior or equal lien priority basis. Any additional obligations secured by a lien on the collateral securing the senior secured notes or the 2007 Notes, whether effectively or actually senior to or equal with the lien in favor of the senior secured notes or the 2007 Notes, will adversely affect the relative position of the holders of such senior secured notes or the 2007 Notes with respect to the collateral securing such notes. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, the proceeds of the enforcement against the collateral will be used first to pay the secured parties under any indebtedness secured on a senior lien priority basis over the collateral in full before making any payments on the senior secured notes, the 2007 Notes and any other indebtedness with an equal lien on the collateral. Any senior secured notes or 2007 Notes remaining outstanding will be general unsecured claims that are equal in right of payment with our other unsecured unsubordinated or subordinated indebtedness, as relevant. The presence of junior liens may also impair the value recoverable from the collateral. As noted above, the guarantees of the 2007 Notes primarily represent unsecured obligations of the guarantors.

The value of the collateral securing the senior secured notes may not be sufficient to secure post-petition interest.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against any issuer, guarantor or security provider located in the United States, holders of the notes will only be entitled to post-petition interest under the U.S. federal bankruptcy code to the extent that the value of their security interest in the collateral is greater than their pre-bankruptcy claim. Holders of the senior secured notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the senior secured notes exceed the fair market value of the collateral securing the senior secured notes. As a result, holders of the senior secured notes that have a security interest in collateral with a value equal to or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the bankruptcy code. In addition, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the senior secured notes on the date of the bankruptcy filing was less than the then-current principal amount of the senior secured notes. Upon a finding by a bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the senior secured notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement for holders of the senior secured notes to receive post-petition interest and a lack of entitlement for holders of the unsecured portion of the senior secured notes to receive other adequate protection under U.S. federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be re-characterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the senior secured notes. No appraisal of the fair market value of the collateral was prepared in connection with the offerings of the senior secured notes and we therefore cannot assure you that the value of the noteholders interest in the collateral equals or exceeds the principal amount of the senior secured notes. See There may not be sufficient collateral to satisfy our obligations under all or any of the senior secured notes and the 2007 Notes. In addition, in certain other jurisdictions, holders of senior secured notes may not be entitled to post-petition interest. See Certain Insolvency and Other Local Law Considerations.

The pledge of the securities of our subsidiaries that secures the senior secured notes, subject to certain exceptions, will automatically be released to the extent and for so long as that pledge would require the filing of separate financial statements with the SEC for that subsidiary. As a result of any such release, the senior secured notes could be secured by less collateral than our other first-lien indebtedness, including the Senior Secured Credit Facilities.

The senior secured notes are secured by a pledge of the stock and other securities of certain of our subsidiaries held by the Issuers or the guarantors of the senior secured notes. Under the SEC regulations in effect as of the issue date of the senior secured notes, if the par value, book value as carried by us or market value, whichever is greatest, of the capital stock, other securities or similar items of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of one of the series of senior secured notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. The indentures governing the senior secured notes provide that any portion of the capital stock and other securities of any of our subsidiaries will be excluded from the collateral to the extent that it exceeds the maximum amount of such capital stock or other security that can be pledged to secure the senior secured notes without causing such subsidiary to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X or another similar rule, except that, with respect to each series of senior secured notes, such exclusion will not apply to shares of BP I at any time. As a result, holders of the senior secured notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries during that period. We conduct substantially all of our business through our subsidiaries, many of which have capital stock with a value in excess of 20% of the aggregate principal amount of the senior secured notes. Accordingly, the pledge of stock and securities with respect to each such subsidiary will be limited in value to less than 20% of the aggregate principal amount of the senior secured notes. To the extent that the euro denominated and dollar denominated 2009 Notes are not treated as a single class for purposes of Rule 3-16 of Regulation S-X, the foregoing collateral limits would apply to each class separately, which could lead to different security interests in the stock securing the euro denominated and dollar denominated 2009 Notes. As a result, holders of the senior secured notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries during that period. It may be more difficult, costly and time-consuming for holders of the senior secured notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary. In addition, the lenders under the Senior Secured Credit Facilities are not subject to such limitation and may have security interests which are substantially more valuable as a result thereof.

The collateral securing the senior secured notes and the 2007 Notes may be diluted under certain circumstances.

The collateral that secures the senior secured notes and the 2007 Notes, subject to certain limited exceptions, also secures obligations under our Senior Secured Credit Facilities. In addition, this collateral may secure additional senior indebtedness that we or our restricted subsidiaries incur in the future, subject to restrictions on our or their ability to incur debt and liens under the indentures governing the notes and other agreements governing our indebtedness. Your rights would be diluted by any increase in the amount of indebtedness secured by this collateral.

In addition, the collateral securing the 2007 Senior Notes on a second priority basis and the 2007 Senior Subordinated Notes on a third priority basis secures the senior secured notes and the Senior Secured Credit Facilities on a first priority basis. As set out in the previous paragraph, the indebtedness which benefits from such first ranking security may be increased, effectively diluting the value of that collateral for the 2007 Notes and reducing the possibility that there will be proceeds from the enforcement of the security in respect of such collateral available for the 2007 Notes. The indentures governing the 2007 Notes also permit other indebtedness to share in the second and third ranking security in respect of the collateral, and any such sharing would dilute the rights of the holders of the 2007 Notes with respect to such collateral.

The collateral is subject to casualty risk.

Even if we maintain insurance, there are certain losses that may be either uninsurable or not economically insurable, in whole or part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any collateral, the insurance proceeds may not be sufficient to satisfy all of our obligations, including the senior secured notes, the 2007 Notes and related guarantees.

We may not complete lien searches on the collateral securing the senior secured notes.

As of the date of this prospectus, we may not have completed lien searches on the collateral securing the August 2011 Senior Secured Notes in those jurisdictions where it is possible to conduct such lien searches. Such lien searches could reveal a prior lien or multiple prior liens on the collateral securing the August 2011 Senior Secured Notes and such liens may prevent or inhibit the collateral agents from foreclosing on the liens securing the August 2011 Senior Secured Notes and may impair the value of the collateral securing the August 2011 Senior Secured Notes. We cannot guarantee that the completed lien searches will not reveal any prior liens on the collateral securing the August 2011 Senior Secured Notes or that there are no prior liens in jurisdictions where lien searches are not possible. Any prior lien could be significant, could be prior to the liens securing the August 2011 Senior Secured Notes and could have an adverse effect on the ability of the collateral agents to realize or foreclose upon the collateral securing the August 2011 Senior Secured Notes.

Any security granted over collateral might be avoided by a trustee in bankruptcy.

Any security granted over collateral in favor of any collateral agents, including pursuant to security documents delivered after the date of the indentures governing the senior secured notes, might be avoided by the grantor, as debtor-in-possession, or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the grantor is insolvent at the time of granting the security or becomes insolvent as a result of entering into the security or associated documentation, including a guarantee, or a bankruptcy proceeding in respect of the security provider is commenced within a specified number of days following the granting of the security.

In the event that the First Lien Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor of a series of senior secured notes in some foreign jurisdictions will not rank pari passu with the liens in favor of the Senior Secured Credit Facilities and the liens in favor of the rest of the senior secured notes.

The security documents that create the liens in favor of the senior secured notes and the Senior Secured Credit Facilities with respect to certain foreign collateral rely on the First Lien Intercreditor Agreement for establishing the relative priorities of the holders of the senior secured notes and the lenders and other secured parties under the Senior

Secured Credit Facilities. Because the priority of a series of senior secured notes with respect to such foreign collateral as compared to the other series of senior secured notes and the Senior Secured Credit Facilities depends, in certain instances, on the enforceability of the First Lien Intercreditor Agreement. If the First Lien Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor a series of senior secured notes, in certain jurisdictions, will not rank *pari passu* with the liens in favor of the rest of the senior secured notes and the Senior Secured Credit Facilities. In such a situation the claims of the holders of such series of senior secured notes will be effectively subordinated to claims of the holders of the rest of the senior secured notes and lenders and other secured parties under the Senior Secured Credit Facilities to the extent of the value of the assets secured by such liens.

Security interests in respect of the collateral may be adversely affected by the failure to perfect security interests in certain collateral presently owned or acquired in the future.

The security interest in the collateral securing the senior secured notes includes assets now owned or, to the extent permitted by applicable laws, acquired or arising in the future. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustee or any collateral agent will monitor, or that we will inform the relevant trustee or any collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly create or perfect the security interest in such after-acquired collateral. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the senior secured notes against third parties. In addition, we are not required to take certain perfection steps in respect of particular assets, whether owned now or acquired in the future, in certain jurisdictions for cost or commercial reasons or such perfection steps may only occur at the time of enforcement. For example, although certain of our trade receivables may be assigned by way of security, we are not required, and do not intend, to notify the obligor of such receivables of the existence of such security, which may impair the effectiveness of the security interest.

Certain of the jurisdictions where you have the benefit of a security interest in collateral securing the senior secured notes or the 2007 Notes do not have public, or other third party, registers where liens, pledges or other forms of security interests may be centrally recorded and if they do have such registers, registration may not be compulsory to protect a secured party s interests or any registration may not be made or, when made, may not be effective to create priority over other security granted prior to the registration being made. As a result, in these jurisdictions the trustee or collateral agent must rely on any representations and warranties given by us that there are no liens, pledges or applicable other security interests already in place. There can be no assurance that we will accurately inform the relevant trustee or any collateral agent of the status of the collateral securing the senior secured notes or the 2007 Notes and the value of the security interest may be adversely affected thereby.

In addition, in certain jurisdictions security interests created over particular assets can only be perfected by possession of the asset by the secured party. The terms of the security documents may not require possession to be granted to the secured party until enforcement, meaning that the security interest will remain unperfected until possession is granted.

Rights of holders of the senior secured notes may be adversely affected by bankruptcy proceedings in the United States.

The right of the collateral agents to repossess and dispose of the collateral securing the senior secured notes upon acceleration is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after any collateral agent has repossessed and disposed of the collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as any collateral agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection. The meaning of the term adequate protection may vary according to circumstances, but it is intended in general to protect the value of the secured creditor s interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during

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the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the senior secured notes could be delayed following commencement of a bankruptcy case, whether or when any collateral agent would repossess or dispose of the collateral, or whether or to what extent holders of the senior secured notes would be compensated for any delay in payment of loss of value of the collateral through the requirements of adequate protection. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the senior secured notes, the holders of the senior secured notes would have undersecured claims as to the difference. U.S. federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys fees for undersecured claims during the debtor s bankruptcy case.

Security providers may own assets outside the respective jurisdictions in which they were formed.

The guarantors, security providers and issuers granting security in respect of the senior secured notes and the 2007 Notes may own collateral located outside the respective jurisdictions in which such guarantors, security providers or issuers were formed. Where this is the case, the relevant security documents may not purport to create security interests over such collateral. In circumstances where the security documents purport to create security interests over such collateral, such security interests may not be effective, or the enforcement of such security interests in the jurisdiction in which the collateral is located may not be possible.

The use of collateral agents may diminish the rights that a secured creditor would otherwise have with respect to the collateral.

In most cases, the collateral will be taken in the name of a collateral agent for the benefit of the holders of the relevant notes and the relevant trustee. As a result, any collateral agent may effectively control actions with respect to collateral which may impair the rights that a noteholder would otherwise have as a secured creditor. Any collateral agent may take actions that a noteholder disagrees with or may fail to take actions that a noteholder wishes to pursue. For example, a collateral agent could decide to credit bid using the value of a noteholder s secured claim even if such noteholder would not individually have done so.

Furthermore, any collateral agent may fail to act in a timely manner which could impair the recovery of noteholders.

In addition, in instances where any collateral agent cannot, or it is impractical for it to, hold a security interest, a gratuitous bailee may hold the security interest for the benefit of the noteholders. The holders will have no rights against any such gratuitous bailee.

The collateral agents may not be able to possess certain collateral on enforcement and may also be prevented from holding security interests in certain collateral.

Applicable laws may restrict the ability of a foreign entity that holds a security interest in particular collateral from taking possession of that collateral on enforcement. In addition, certain jurisdictions restrict the ability of foreign entities to hold the benefit of security interests over certain assets. This may mean that any collateral agent may be unable to benefit from security interests in certain collateral and may also restrict the ability of such collateral agent to transfer collateral into its name on enforcement.

Intercompany movements of collateral may diminish the assets that serve as collateral and the priority of noteholder liens with respect to collateral.

We are generally permitted to freely move assets within the RGHL Group subject to certain restrictions. However, not all members of the RGHL Group are guarantors, security providers or issuers or grant security over the same type of assets. If collateral is transferred to an entity that is not a guarantor, security provider, or issuer, the interests of the noteholders will cease to be secured by such assets.

If collateral is moved to another entity that is a guarantor, security provider or issuer, the asset may cease to be collateral or your priority in the asset may be impaired. If a type of collateral is transferred to a guarantor that does not grant security interests, as is the case with respect to guarantors organized in Japan, Costa Rica and Australia, or does not grant security interests with respect to that particular type of asset, then the noteholders will lose the benefit of such collateral. Even if the asset continues as collateral in the hands of the recipient entity, there may be hardening periods or notification requirements before the security interest becomes effective or the security interest might not be as beneficial to noteholders as it was in the possession of the transferring entity.

The senior secured notes and the 2007 Notes are subject to complex intercreditor agreements governing the relationship between numerous creditors with respect to rights to payments and collateral across several jurisdictions, and there is no certainty as to how or if any court would enforce the intercreditor agreements.

The relationship among the holders of the senior secured notes and the 2007 Notes and our other creditors is governed by two intercreditor agreements. The relationship among the holders of the senior secured notes, the lenders and other secured parties under the Senior Secured Credit Facilities and creditors under any other series of future first lien indebtedness is governed by the First Lien Intercreditor Agreement which is governed by New York law. See Description of Certain Other Indebtedness and Intercreditor Agreements First Lien Intercreditor Agreement. The relationship among the holders of the senior secured notes and the lenders and other secured parties under the Senior Secured Credit Facilities on the one hand and the holders of the 2007 Notes on the other hand is subject to the 2007 UK Intercreditor Agreement, which is governed by English law. See Description of Certain Other Indebtedness and Intercreditor Agreements 2007 UK Intercreditor Agreement.

These intercreditor agreements collectively govern the relationship among certain of our creditors which are located in several countries and have disparate interests. In addition, they govern creditor rights with respect to payment obligations from members of the RGHL Group and collateral located in different countries. Due to the complexity of the agreements, there is no certainty how a court would interpret the interaction among the parties. The complexity may also increase the time required to resolve any disputes among creditors and may impair or delay any recovery under the notes and guarantees. Also, given that the agreements govern matters in several countries, there is no certainty to what extent, if at all, any court would enforce the provisions.

The guarantees of the 2007 Notes are subordinated to senior indebtedness of the guarantors.

Although the 2007 Notes benefit from guarantees from certain members of the RGHL Group, those guarantees are expressly subordinated in right of payment to indebtedness of the companies providing those guarantees that is senior to the guarantees of the 2007 Notes, including indebtedness in respect of the senior secured notes and the Senior Secured Credit Facilities, and in the case of the 2007 Senior Subordinated Notes, the senior notes. The subordination provisions in respect of the 2007 Notes are set forth in the 2007 UK Intercreditor Agreement and the indentures governing the 2007 Notes. Generally, the guarantees of the 2007 Senior Notes are senior subordinated guarantees and are subordinated to the senior guarantees of the senior secured notes and the Senior Secured Credit Facilities. The guarantees of the 2007 Senior Subordinated Notes are subordinated guarantees and are subordinated to the senior guarantees of the notes and the Senior Secured Credit Facilities, the senior subordinated guarantees of the 2007 Senior Notes and any other indebtedness that ranks *pari passu* with such indebtedness. The guarantees of the 2007 Notes are subordinated to other senior indebtedness, and holders of Designated Senior Indebtedness, including holders of indebtedness in respect of the senior secured notes and the Senior Secured Credit Facilities, have the benefit of subordination provisions under the 2007 UK Intercreditor Agreement and the indentures governing the 2007 Notes. See The holders of the senior notes have fewer rights than the holders of our Designated Senior Indebtedness . The indentures governing the 2007 Notes also permit us to incur certain additional indebtedness, which may be senior indebtedness. If we, or any member of the RGHL Group that is a guarantor, security provider or a material company under the senior secured notes or the Senior Secured Credit Facilities is declared bankrupt or insolvent, or if there is a payment default under, or an acceleration of, senior indebtedness under the senior secured notes or the Senior Secured Credit Facilities, BP I and any other member of the RGHL Group that is a borrower, issuer, security provider or guarantor under the senior secured notes and the Senior Secured Credit Facilities will be required to pay the creditors thereunder in full before the issuer of the 2007 Notes may use any of our assets to pay holders of the 2007 Notes. Accordingly, there may not be enough assets to pay holders of the 2007 Notes after paying the holders of such senior indebtedness. In addition, the creditors in respect of the senior secured notes and the Senior Secured Credit Facilities and the holders of other Designated Senior Indebtedness may prevent a guarantor from making payments to the issuer of the 2007 Notes under the loans of the proceeds of the 2007 Notes in the event of a payment default or for a period of up to 179 days in the case of a non-payment event of default under such senior indebtedness.

Furthermore, no enforcement action under the guarantees of the 2007 Notes may be taken unless:

- holders of Designated Senior Indebtedness have first accelerated that indebtedness or taken certain enforcement action;
- certain insolvency events in respect of the guarantors are continuing; or
- an event of default under the applicable indenture governing the 2007 Notes has occurred and 179 days have elapsed since notice has been given to the agent under the Designated Senior Indebtedness concerning such event of default.

The guarantees of the 2007 Notes are subject to release in a variety of circumstances on the terms provided for in the 2007 UK Intercreditor Agreement and the indentures governing the 2007 Notes, including in the event of certain enforcement actions taken by the creditors in respect of the senior secured notes and the Senior Secured Credit Facilities.

The indentures governing the 2007 Notes permit the trustee and the security agent under the indentures governing the 2007 Notes to agree without the consent of the holders of the 2007 Notes to an amendment to the 2007 UK Intercreditor Agreement or a new intercreditor agreement in favor of holders of Designated Senior Indebtedness.

As a result of the subordination provisions described above, in the event of a liquidation, bankruptcy or other insolvency of a guarantor, holders of the 2007 Notes may recover less, ratably, than creditors of the guarantors who are holders of Designated Senior Indebtedness. As a result of the obligation to deliver amounts received in trust to holders of Designated Senior Indebtedness, holders of the 2007 Notes may recover less, ratably, than trade creditors of the guarantors.

There is currently no public market for the notes. We cannot assure you that an active trading market will develop for the notes, in which case your ability to transfer the notes, as applicable, will be limited.

The new notes are new securities for which there presently is no established public market. We cannot give you any assurance as to the development or maintenance of any active trading market for the notes or, if a market does develop for the notes, the liquidity of such market, your ability to sell your notes or the price at which you may be able to sell your notes. Future prices of the notes will depend on many factors, including:

- our operating performance and financial conditions;
- the interest of securities dealers in making a market; and
- the market for similar securities.

In addition, the liquidity of the trading markets for the new notes, and the market prices quoted for the new notes, may be adversely affected by changes in the overall market for high-yield securities and by changes in our financial performance or in the prospects of companies in our industry generally. As a result, you cannot be certain that active trading markets will develop for the notes or, if such markets develop, that they will be maintained.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices and liquidity of securities similar to the notes. The market, if any, for the new notes may be subject to similar disruptions and any such disruptions may adversely affect the value of the notes.

If you participate in the exchange offer, upon consummation of the exchange offer, your percentage of class ownership as a holder of the old February 2012 Notes or the old August 2011 Senior Notes will be diluted.

Upon consummation of the exchange offer, the exchange notes related to the August 2011 Senior Notes, the exchange notes related to the February 2012 Notes and any remaining August 2011 Senior Notes will be treated as a single class of notes for purposes of the indenture governing the August 2011 Senior Notes. If you participate in the exchange offer, your percentage of class ownership as a holder of the February 2012 Notes or the August 2011 Senior Notes, respectively, will be diluted by and to the extent of the August 2011 Senior Notes then outstanding and the February 2012 Notes tendered in the exchange offer, respectively.

In order to exchange your February 2012 Notes for registered notes that will be issued under the indenture governing the August 2011 Senior Notes, you will be required to consent to eliminate substantially all of the restrictive covenants and certain other provisions of the indenture governing the old February 2012 Notes. If you fail to exchange your February 2012 Notes in the exchange offer and the requisite consents are received, your notes will no longer be entitled to the benefit of substantially all the restrictive covenants of the indenture, and your old February 2012 Notes will not be fungible with the exchange notes. Liquidity of any market for the non-exchanged notes will be limited, and you may not be able to sell such non-exchanged February 2012 Notes.

In connection with the offer to exchange the February 2012 Notes for exchange notes that will be issued under the indenture governing the August 2011 Senior Notes, the Issuers are seeking an exit consent from the holders of the February 2012 Notes to eliminate substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes. Holders of the February 2012 Notes will be required to give such consents in order to exchange their notes in the exchange offer. If holders of a majority of principal amount of the February 2012 Notes consent to the proposed amendments by participating in the exchange offer, the requisite consents will have been received and if you do not properly exchange the February 2012 Notes, the proposed amendments will be effective as to the February 2012 Notes that are not exchanged. As a result of this exit consent and resulting amendments, holders of outstanding February 2012 Notes that do not participate in the exchange offer will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.

Upon consummation of the exchange offer, the exchange notes related to the February 2012 Notes, the exchange notes related to the August 2011 Senior Notes and any August 2011 Senior Notes not exchanged will constitute a single class of notes under the indenture governing the August 2011 Senior Notes. Any non-exchanged February 2012 Notes will remain outstanding under the indenture governing the old February 2012 Notes. If you fail to exchange the February 2012 Notes in the exchange offer, your notes will only be fungible with other non-exchanged February 2012 Notes, and not with the exchange notes related to the February 2012 Notes, the exchange notes related to the August 2011 Senior Notes or any August 2011 Senior Notes not exchanged. In addition, the liquidity of any market for any February 2012 Notes not properly exchanged may be limited, and you may not be able to sell such non-exchanged notes.

Since the outstanding old notes will continue to have restrictions on transfer and cannot be sold without registration under securities laws or exemptions from registration requirements, you may have difficulty selling the old notes that you do not exchange.

If a large number of the old notes are exchanged for the new notes issued in the exchange offer, it may be difficult for holders of outstanding old notes that are not exchanged in the exchange offer to sell their old notes, since those old notes may not be offered or sold unless they are registered or unless there are exemptions from registration requirements under the Securities Act or state laws that apply to them. In addition, if there are only a small number of old notes outstanding, there may not be a very liquid market for those old notes. There may be few investors that will purchase unregistered securities for which there is not a liquid market.

In addition, if you do not tender your outstanding old notes or if we do not accept some outstanding old notes, those old notes will continue to be subject to the existing restrictions on transfer and exchange set forth in the indenture.

You may not receive the new notes in the exchange offer if the exchange offer procedures are not properly followed.

We will issue the new notes in exchange for your old notes only if you properly tender the old notes before expiration of the exchange offer. Neither we nor the exchange agent are under any duty to give notification of defects or irregularities with respect to the tenders of the old notes for exchange. If you are the beneficial holder of old notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such notes in the exchange offer, then you should promptly contact the person through whom your old notes are held and instruct that person to tender your old notes on your behalf.

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SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. Forward-looking statements include statements regarding our goals, beliefs, plans or current expectations, taking into account the information currently available to our management. Forward-looking statements are not statements of historical fact. For example, when we use words such as believe , anticipate , expect , estimate , intend , should , would , could , may , will or other words tha of future events or outcomes, we are making forward-looking statements. We have based these forward-looking statements on our management s current view with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates and the projections reflected in the forward-looking statements are reasonable, such estimates and projections may prove to be incorrect, and our actual results may differ from those described in our forward-looking statements as a result of the following risks, uncertainties and assumptions, among others:

- risks related to acquisitions, including completed and future acquisitions, such as the risks that we may be unable to complete an acquisition 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;
- risks related to the future costs of energy, raw materials and freight;
- risks related to our substantial indebtedness and our ability to service our current and future indebtedness;
- 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 downturns in our target markets;
- risks related to increases in interest rates which would increase the cost of servicing our debt;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to exchange rate fluctuations;
- risks related to the consolidation of our customer bases, competition and pricing pressure;
- risks related to the impact of a loss of one of our key manufacturing facilities;
- risks related to our exposure to environmental liabilities and potential changes in legislation or regulation;
- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;

risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;

risks related to restrictive covenants in the notes and our other indebtedness which could adversely affect our business by limiting our operating and strategic flexibility;

risks related to our dependence on key management and other highly skilled personnel;

risks related to our pension plans; and

risks related to other factors discussed or referred to in this prospectus, including in the section titled Risk Factors.

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The risks described above and the risks disclosed in or referred to in the Risk Factors section in this prospectus are not exhaustive. Other sections of this prospectus describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and included elsewhere in this prospectus.

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THE EXCHANGE OFFER

The following contains a summary of the material provisions of the exchange offer and, in the case of the February 2012 Notes, the consent solicitation being made pursuant to the registration rights agreements with respect to each series of the old notes, each among the issuers, certain guarantors and the initial purchasers of the old notes, which we collectively refer to as the registration rights agreements. Reference is made to the provisions of the registration rights agreements, which have been filed as exhibits to the registration statement. Copies are available as set forth under the heading Where You Can Find More Information.

The terms of the new notes are identical in all material respects to the terms of the old notes, except that the new notes are registered under the Securities Act and will not be subject to restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the old notes.

Purpose of the Exchange Offer

We sold the old notes to initial purchasers who subsequently sold the old notes to qualified institutional buyers under Rule 144A of the Securities Act and to certain sophisticated investors in offshore transactions in reliance on Regulation S of the Securities Act. The exchange offer will give holders of old notes and related guarantees the opportunity to exchange the old notes for new notes and related guarantees that have been registered under the Securities Act. The new notes will be substantially similar in all material respects to the old notes. The new notes (other than the new February 2012 Notes) will be issued under the same indenture governing the old notes of the same series. The new February 2012 Notes will be issued under a supplemental indenture to the indenture governing the August 2011 Senior Notes and will constitute one series of notes with the August 2011 Senior Notes. Following the completion of the exchange offer, the new February 2012 Notes will be governed by the indenture governing the August 2011 Senior Notes. The old February 2012 Notes that are not tendered in the exchange offer will continue to be governed by the indenture governing the old February 2012 Notes, but, if the proposed amendments become effective, the holders of any old February 2012 Notes that are not tendered will no longer be entitled to the benefit of substantially all of the restrictive covenants, certain events of default and certain other provisions contained in the indenture governing the old February 2012 Notes.

Under the registration rights agreements, we have agreed to use our commercially reasonable efforts to cause the registration statement, of which this prospectus is a part, to become effective under the Securities Act within 365 days of the date of original issue of the old notes. We have also agreed to use our commercially reasonable efforts to keep the exchange offer open for the period required by applicable law, including pursuant to any applicable interpretation by the staff of the SEC, but in any event for at least 20 business days.

We did not file the exchange offer registration statement for the 2009 Notes by November 5, 2010, for the May 2010 Notes by May 4, 2011, or for the October 2010 Notes by October 15, 2011, and the exchange offer registration statement for the February 2011 Notes did not become effective by February 1, 2012. Consequently, we were required to pay additional interest on the 2009 Notes from November 5, 2010 until November 5, 2011 and have been required to pay additional interest on the May 2010 Notes beginning on May 4, 2011, on the October 2010 Notes beginning on October 15, 2011 and on the February 2011 Notes beginning on February 1, 2012, pursuant to the applicable registration rights agreements.

We paid $10 million of additional interest on the 2009 Notes from November 5, 2010 until November 5, 2011. We paid $2 million of additional interest on the May 2010 Notes as of November 15, 2011, which was the most recent interest payment date on the May 2010 Notes, and will continue to accrue additional interest until the earlier of the effectiveness of the registration statement or May 4, 2012. We paid less than $1 million of additional interest on the February 2011 Notes as of February 15, 2012, which was the most recent interest payment date on the February 2011 Notes, and will continue to accrue additional interest until the earlier of the effectiveness of the registration statement or February 1, 2013. We did not pay any additional interest on the October 2010 Notes as of October 15, 2011, which was the most recent interest payment date on the October

2010 Notes, but will accrue additional interest from October 15, 2011 until the earlier of the effectiveness of the registration statement or October 15, 2012.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. We will issue new notes in exchange for an equal principal amount of outstanding old notes accepted in the exchange offer. Old dollar denominated notes may be tendered only in denominations of $100,000 and in integral multiples of $1,000 in excess thereof and old euro denominated notes in minimum denominations of 50,000 and in integral multiples of 1,000 in excess thereof. This prospectus, together with the letter of transmittal, is being sent to all registered holders as of , 2012. The exchange offer is not conditioned upon any minimum principal amount of old notes being tendered for exchange. However, our obligation to accept old notes for exchange pursuant to the exchange offer is subject to certain customary conditions as set forth below under Conditions.

Old notes shall be deemed to have been accepted as validly tendered when, as and if we have given oral or written notice of such acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders of old notes for the purposes of receiving the new notes and delivering new notes to such holders.

Based on interpretations by the staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the new notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder of such new notes, other than any such holder that is a broker-dealer or an affiliate of us within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that:

- such new notes are acquired in the ordinary course of business;
- at the time of the commencement of the exchange offer such holder has no arrangement or understanding with any person to participate in a distribution of such new notes; and
- such holder is not engaged in and does not intend to engage in a distribution of such new notes.

We have not sought, and do not intend to seek, a no-action letter from the SEC, with respect to the effects of the exchange offer, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the new notes as it has in previous no-action letters.

By tendering old notes in exchange for relevant new notes (including, in the case of holders who hold notes through Euroclear or Clearstream, by not affirmatively objecting to the tendering of such notes on your behalf), you will represent to us that:

- any new notes to be received by you will be acquired in the ordinary course of business;
- you have no arrangements or understandings with any person to participate in the distribution of the old notes or new notes within the meaning of the Securities Act;
- you are not engaged in and do not intend to engage in a distribution of the new notes; and

you are not our affiliate, as defined in Rule 405 under the Securities Act.

Each broker-dealer that receives new notes for its own account in exchange for old notes, where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See Plan of Distribution. If you are not a broker-dealer, you will be required to represent that you are not engaged in and do not intend to engage in the distribution of the new notes. Whether or not you are a broker-dealer, you must also represent that you are not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph. If you are unable to make the foregoing representations, you may not rely on the applicable interpretations of the staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction unless such sale is made pursuant to an exemption from such requirements.

The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Issuers have agreed that, for a period of (i) in the case of an exchange dealer or initial purchaser, 180 days after the expiration date and (ii) in the case of any broker-dealer, 90 days after the expiration date, it will make this prospectus available to any such exchange dealer, initial purchaser or broker-dealer for use in connection with any such resale. See Plan of Distribution.

Upon consummation of the exchange offer, any old notes not tendered will remain outstanding and continue to accrue interest, but, with limited exceptions, holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will no longer be entitled to registration rights and will not be able to offer or sell their old notes unless such old notes are subsequently registered under the Securities Act, except pursuant to an exemption from or in a transaction not subject to the Securities Act and applicable state securities laws. With limited exceptions, we will have no obligation to effect a subsequent registration of the old notes.

Consent Solicitation

We are soliciting consents from holders of the February 2012 Notes upon the terms and subject to the conditions set forth herein and in the accompanying letter of transmittal. We intend to obtain consents from holders representing a majority of the aggregate principal amount of the February 2012 Notes.

If consents representing a majority of the outstanding principal amount of the February 2012 Notes are delivered (and not revoked) prior to the expiration date, we will, subject to consummation of the exchange offer, execute a supplemental indenture to the indenture currently governing the February 2012 Notes with the Bank of New York Mellon, as Trustee, giving effect to the proposed amendments. The proposed amendments will be effective as to and bind all February 2012 Notes that are not exchanged for new notes issued under the indenture governing the August 2011 Senior Notes at such time as the supplemental indenture has been executed and all conditions precedent to the exchange offer have been satisfied or validly waived and we have irrevocably accepted for exchange in the exchange offer all validly tendered February 2012 Notes (other than those tendered February 2012 Notes that have been validly withdrawn), regardless of whether a consent was given in respect of any particular February 2012 Note.

Holders that tender February 2012 Notes pursuant to the exchange offer prior to the expiration date will be deemed automatically to have delivered a consent with respect to all such February 2012 Notes.

Expiration Date; Extensions; Amendments; Termination

The expiration date for the exchange offer and, in the case of the February 2012 Notes, the consent solicitation shall be 5:00 p.m., New York City time, on , 2012, unless we, in our sole discretion, extend the exchange offer and, in the case of the February 2012 Notes, the consent solicitation in which case the expiration date for the exchange offer and, in the case of the February 2012 Notes, the consent solicitation, shall be the latest date to which the exchange offer is extended. In the case of the February 2012 Notes, the exchange offer may not be extended without extending the consent solicitation, and the consent solicitation may not be extended without extending the exchange offer.

To extend an expiration date, we will notify the exchange agent of any extension by oral or written notice and will notify the holders of the relevant old notes by means of a press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date for the exchange offer and, in the case of the February 2012 Notes, the consent solicitation. Such notice to noteholders will disclose the aggregate principal amount of the outstanding notes that have been tendered as of the date of such notice and may state that we are extending the exchange offer and, in the case of the February 2012 Notes, the consent solicitation, for a specified period of time.

In relation to the exchange offer, we reserve the right to:

(1) delay acceptance of any old notes due to an extension of the exchange offer, to extend the exchange offer or to terminate the exchange offer and not permit acceptance of old notes not previously accepted if any of the conditions set forth under Conditions shall have occurred and shall not have been waived by us prior to 5:00 p.m., New York City time, on the expiration date, by giving oral or written notice of such delay, extension or termination to the exchange agent; or

(2) amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the old notes.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice of such delay, extension, termination or amendment to the exchange agent. If we amend the exchange offer in a manner that we determine to constitute a material change, including the waiver of a material condition, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders of outstanding notes of that amendment and we will extend the exchange offer if necessary so that at least five business days remain in the offer following notice of the material change.

Without limiting the manner in which we may choose to make public an announcement of any delay, extension or termination of the exchange offer, we shall have no obligations to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

Interest on the New Notes

The new notes will accrue interest from the last interest payment date on which interest was paid on the corresponding old note surrendered in exchange for such new note to the day before the consummation of the exchange offer or, if no interest has been paid on the old notes, from the date of original issuance of the old notes, and thereafter, provided that if an old note is surrendered for exchange on or after a record date for an interest payment that will occur on or after the date of such exchange and as to which interest will be paid, interest on the new note received in exchange for such old note will accrue from the date of such interest payment date. No additional interest will be paid on old notes tendered and accepted for exchange except as provided in the applicable registration rights agreement.

Procedures for Tendering

All of the old notes were issued in book-entry form, and all of the old notes are currently represented by one or more global certificates held for the account of a nominee of The Depository Trust Company, DTC, in the case of the old dollar denominated notes, and a common depositary for Euroclear Bank S.A./N.V., Euroclear, or Clearstream Banking S.A., Clearstream, in the case of the old euro denominated notes. If you desire to tender old notes, you may tender such old notes to the exchange agent by (i) transmitting an agent s message to the exchange agent through the facilities of DTC, Euroclear or Clearstream, as applicable or (ii) submitting a signed letter of transmittal, if an agent s message is not delivered and the tenders of old notes are to be made by book-entry transfer to the account of the exchange agent at DTC, together with a confirmation of book-entry transfer of the old notes and any other required documents.

Any beneficial owner whose old notes are held of record by a broker, dealer, commercial bank, trust company or other nominee and who wishes to take action with respect to the old notes should contact such nominee promptly and instruct such entity to tender old notes on such beneficial owner s behalf.

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The term agent s message means a message, transmitted by DTC, Euroclear or Clearstream and received by the exchange agent and forming part of a book-entry confirmation, which states that the book-entry transfer facility has received an express acknowledgement from a participant tendering old notes that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant.

How to Tender if You Are a Euroclear or Clearstream Participant

Pursuant to their internal guidelines, Euroclear and Clearstream will automatically exchange old euro notes for new euro notes on behalf of the holders of the old euro notes. **If you do not wish to participate in the exchange offer, the registered holder of old euro notes on the records of Euroclear or Clearstream must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action ;** otherwise such old euro notes will be tendered in the exchange offer, and you will be deemed to have agreed to be bound by the terms of the letter of transmittal. The exchange for old euro notes so tendered will only be made after a timely confirmation of a book-entry transfer of old euro notes into the exchange agent s account, and timely receipt by the exchange agent of an agent s message.

Holders that cannot make the representations contained in the letter of transmittal must electronically instruct Euroclear or Clearstream, as the case may be, to Take No Action.

How to Tender if You Are a DTC Participant

To tender in the exchange offer, you must:

complete, sign and date the letter of transmittal, or a facsimile of such letter of transmittal, have the signatures on such letter of transmittal guaranteed if required by such letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile, together with any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date; or

comply with the ATOP procedures of DTC described below.

In addition, either:

certificates of old notes must be received by the exchange agent along with the applicable letter of transmittal; or

a timely confirmation of a book-entry transfer of old notes, if such procedures are available, into the exchange agent s account at DTC, pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date with the letter of transmittal.

There is no procedure for guaranteed delivery of old notes.

Book-Entry Transfer

Promptly after the date of this prospectus, the exchange agent for the notes will make a request to establish an account with respect to the old notes at DTC as book-entry transfer facility for tenders of the old notes. Any financial institution that is a participant in DTC s systems may make book-entry delivery of the old notes by causing DTC to transfer such old notes into the exchange agent s account for such notes at DTC in accordance with DTC procedures for transfer. In addition, although delivery of old notes may be effected through book-entry transfer at DTC, the letter of transmittal or facsimile thereof with any required signature guarantees, or an agent s message, and any other required documents, must, in any case, be transmitted to and received by the exchange agent at one of the addresses set forth below under Exchange Agent prior to 5:00 p.m., New York City time, on the applicable expiration date.

DTC s Automated Tender Offer Program

The exchange agent and DTC have confirmed that any financial institution that is a participant in the book-entry transfer facility may utilize DTC s ATOP to tender old notes.

Any participant in DTC may make book-entry delivery of old notes by causing DTC to transfer such old notes into the exchange agent s account for the relevant notes in accordance with the book-entry transfer facility s ATOP procedures for transfer. However, the exchange for the old notes so tendered will only be made after a book-entry confirmation of the book-entry transfer of such old notes into the exchange agent s account for the relevant notes, and timely receipt by the exchange agent of an agent s message and any other documents required by the letter of transmittal.

Signature Guarantees

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by any member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act (each an Eligible Institution) unless the old notes tendered pursuant to such letter of transmittal or notice of withdrawal, as the case may be, are tendered (1) by a registered holder of old notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal or (2) for the account of an Eligible Institution.

If a letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, submit with such letter of transmittal evidence satisfactory to us of their authority to so act.

Deemed Consent by Tender

The tender of old February 2012 Notes pursuant to the exchange offer and in accordance with the procedures described above will be deemed to automatically constitute delivery of a consent with respect to the old February 2012 Notes tendered, except as provided herein. All references to procedures for tendering old February 2012 Notes shall include such deemed delivery of consents.

Determination of Validity

We will only issue new notes in exchange for old notes that are timely and properly tendered. The method of delivery of old notes, letter of transmittal and all other required documents is at your election and risk. Rather than mail these items, we recommend that you use an overnight or hand-delivery service. If such delivery is by mail, it is recommended that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery and you should carefully follow the instructions on how to tender the old notes. No old notes, letters of transmittal or other required documents should be sent to us. Delivery of all old notes, if applicable, letters of transmittal and other documents must be made to the exchange agent at its address set forth below under Exchange Agent. You may also request your respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender on your behalf. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your old notes or the tenders thereof.

Your tender of old notes will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. Any beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on his behalf.

All questions as to the validity, form, eligibility, time of receipt and withdrawal of the tendered old notes will be determined by us in our sole discretion, such determination being final and binding on all parties. We reserve the absolute right to reject any and all old notes not properly tendered or any old notes which, if accepted, would, in the opinion of counsel for us, be unlawful. We also reserve the absolute right to waive any irregularities or defects with respect to tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of old notes, nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

Other Transactions Relating to the Old Notes

In addition, we reserve the right in our sole discretion, subject to the provisions of the applicable indenture pursuant to which the notes are issued:

- to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date or, as set forth under Conditions, to terminate the exchange offer;

- to redeem the old notes as a whole or in part at any time and from time to time, as set forth under Description of the 2009 Notes Optional Redemption, Description of the May 2010 Notes Optional Redemption, Description of the October 2010 Senior Secured Notes Optional Redemption, Description of the October 2010 Senior Notes Optional Redemption, Description of the February 2011 Senior Secured Notes Optional Redemption, Description of the August 2011 Senior Secured Notes Optional Redemption, Description of the February 2011 Senior Notes Optional Redemption and Description of the August 2011 Senior Notes and the New February 2012 Notes Optional Redemption; and

- to the extent permitted under applicable law, purchase the old notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers could differ from the terms of the exchange offer.

Broker-Dealers

Each broker-dealer that receives new notes for its own account in exchange for old notes must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes which the broker-dealer acquired as a result of market-making activities or other trading activities. See Plan of Distribution.

Acceptance of Old Notes for Exchange; Delivery of New Notes

Upon satisfaction or waiver of all of the conditions to the exchange offer all old notes properly tendered will be accepted promptly after the expiration date, and the new notes will be issued promptly after the expiration date. See Conditions. For purposes of the exchange offer, old notes shall be deemed to have been accepted as validly tendered for exchange when, as and if we have given oral or written notice thereof to the exchange agent. For each old note accepted for exchange, the holder of such note will receive a new note having a principal amount equal to that of the surrendered old note.

In all cases, issuance of new notes for old notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

certificates for such old notes or a timely book-entry confirmation of such old notes into the exchange agent s account at the book-entry transfer facility;

a properly completed and duly executed letter of transmittal; and

all other required documents.

If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer, such unaccepted or such non-exchanged old notes will be returned without expense to the tendering holder of such notes, if in certificated form, or credited to an account maintained with such book-entry transfer facility promptly after the expiration or termination of the exchange offer.

Withdrawal of Tenders

Tenders of old notes may be withdrawn and, in the case of the February 2012 Notes, the related consents may be revoked at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date at the address set forth below under Exchange Agent. Any such notice of withdrawal must:

- specify the name of the person having tendered the old notes to be withdrawn;
- identify the old notes to be withdrawn, including the principal amount of such old notes;
- in the case of old notes tendered by book-entry transfer, specify the number of the account at the book-entry transfer facility from which the old notes were tendered and specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility;
- contain a statement that such holder is withdrawing its election to have such old notes exchanged;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such old notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the old notes register the transfer of such old notes in the name of the person withdrawing the tender; and
- specify the name in which such old notes are registered, if different from the person who tendered such old notes.

All questions as to the validity, form, eligibility and time of receipt of such notice will be determined by us, in our sole discretion, such determination being final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any old notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the tendering holder of such notes without cost to such holder, in the case of physically tendered old notes, or credited to an account maintained with the book-entry transfer facility for the old notes promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn old notes may be retendered by following one of the procedures described under Procedures for Tendering above at any time on or prior to 5:00 p.m., New York City time, on the expiration date.

Conditions

Notwithstanding any other provision in the exchange offer, we shall not be required to accept for exchange, or to issue new notes in exchange for, any old notes and may terminate or amend the exchange offer if at any time prior to 5:00 p.m., New York City time, on the expiration date, we determine in our reasonable judgment that the exchange offer violates applicable law, any applicable interpretation of the staff of the SEC or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time, prior to the expiration date, in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights prior to 5:00 p.m., New York City time, on the expiration date shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to 5:00 p.m., New York City time, on the expiration date.

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In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at any such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture governing the notes under the Trust Indenture Act. Pursuant to the registration rights agreement, we are required to use our commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time.

Exchange Agent

The Bank of New York Mellon has been appointed as exchange agent for the exchange offers for the notes. The Bank of New York Mellon also acts as trustee under the indentures governing the old notes, which are the same indentures that will govern the new notes. Questions and requests for assistance and requests for additional copies of this prospectus or of letters of transmittal should be directed to the exchange agent addressed as follows:

Deliver To:

	By registered or certified mail, hand delivery or overnight courier:	*By facsimile: (Eligible Institutions Only)*	*To confirm by telephone or for information call:*
For Dollar Denominated Notes:	The Bank of New York Mellon Corporate Trust Reorganization Unit 101 Barclay Street, Floor 7E New York, NY 10286	+1 212 298 1915 Attention: Mrs. Carolle Montreuil	+1 212 815 5920
For Euro Denominated Notes:	The Bank of New York Mellon One Canada Square 40th Floor London E145AL United Kingdom	+44 207 964 2536 Attn: Event Administration	+44 207 964 4958

Fees and Expenses

The expenses of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, telecopy or in person by our officers and regular employees.

We will not make any payments to or extend any commissions or concessions to any broker or dealer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus and related documents to the beneficial owners of the old notes and in handling or forwarding tenders for exchange.

The expenses to be incurred by us in connection with the exchange offer will be paid by us, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of old notes pursuant to the exchange offer. If, however, new notes or old notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the old notes tendered, or if tendered old notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of old notes pursuant to the exchange offer, then the amount of any such transfer taxes imposed on the registered holder or any other person will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Accounting Treatment

The new notes will be recorded as carrying the same value as the old notes, which is face value, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes as a result of the exchange offer. The expenses of the exchange offer will be expensed.

Consequences of Failure to Exchange

Holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such old notes as set forth in the legend on such old notes as a consequence of the old notes having been issued pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the old notes may only be offered or sold pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws or in a transaction not subject to the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the old notes under the Securities Act. To the extent that old notes are tendered and accepted pursuant to the exchange offer, there may be little or no trading market for untendered and tendered but unaccepted old notes. The restrictions on transfer will make the old notes less attractive to potential investors than the new notes.

THE TRANSACTIONS

The 2012 Refinancing Transactions

On February 15, 2012, the Issuers completed the sale of $1,250 million aggregate principal amount of February 2012 Notes in a private offering. The February 2012 Notes will mature on August 15, 2019.

The net proceeds from the offering of the February 2012 Notes were used to refinance the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging Senior Subordinated Notes and the $249 million outstanding aggregate principal amount of Pactiv 2012 Notes and pay fees associated with the early repayment of these notes by depositing funds, on February 15, 2012, with the trustees of the Graham Packaging Notes and of the Pactiv 2012 Notes, respectively, to satisfy and discharge their obligations pursuant to the indentures governing these notes. In addition, the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes redeemed such notes on March 16, 2012. RGHL intends to use the remaining net proceeds from the offering of the February 2012 Notes for general corporate purposes.

We refer to (i) the offering of the February 2012 Notes, (ii) the application of the net proceeds from the offering of the February 2012 Notes to satisfy and discharge the obligations of the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes under the applicable indentures and (iii) the payment of related fees and expenses as the 2012 Refinancing Transactions.

The Graham Packaging Transaction

Graham Packaging Acquisition

On September 8, 2011, a wholly-owned indirect subsidiary of RGHL merged with and into Graham Company, with Graham Company surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this acquisition as the Graham Packaging Acquisition. Graham Company s stockholders received $25.50 in cash for each share of Graham Company common stock, for a total enterprise value, including net debt, of $4.5 billion.

We financed the Graham Packaging Acquisition with (i) the $1,500 million principal amount of August 2011 Senior Secured Notes, (ii) $500 million principal amount of the August 2011 Senior Notes, (iii) the $2,000 million principal amount of the incremental term loans under new incremental senior secured credit facilities, or the New Incremental Senior Secured Credit Facilities, and (iv) available cash. We used the proceeds from the issuance of the additional $500 million principal amount of August 2011 Senior Notes to repurchase the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes that tendered in connection with the change of control offers for such notes. See Change of Control Offer.

We refer to the financing arrangements related to the Graham Packaging Acquisition as the Graham Packaging Acquisition Financing Arrangements.

Graham Packaging Tender Offers and Consent Solicitations

The issuers of the Graham Packaging Notes, Graham Packaging Company, L.P. and GPC Capital Corp. I, commenced tender offers for any and all of the outstanding Graham Packaging Notes and also solicited the consents of holders of each series of the Graham Packaging Notes to make certain amendments to the indentures governing the Graham

Packaging Notes. We refer to these tenders offers and consent solicitations as the Graham Packaging Tender Offers.

The Graham Packaging Tender Offers collectively offered holders of Graham Packaging Notes an opportunity to receive consideration that represented a premium to the consideration that they would have received if they were to require the issuers of the Graham Packaging Notes to purchase such notes in a change of control offer resulting from the Graham Packaging Acquisition, assuming a 30 day notice period following the change of control, and to provide RGHL and its affiliates with Permitted Holder status under the indentures governing the Graham Packaging Notes that is substantially similar to the status that they would have if a change of control offer were consummated.

On July 19, 2011, Graham Packaging announced that it had received the requisite consents from holders of the Graham Packaging Senior Subordinated Notes to adopt the proposed amendments that were the subject of the related Graham Packaging Tender Offer. On August 25, 2011, the issuers of the Graham Packaging Senior Subordinated Notes purchased $21 million aggregate principal amount of Graham Packaging Senior Subordinated Notes that were tendered. Accordingly, the indenture governing the Graham Packaging Senior Subordinated Notes no longer requires the issuers of such notes to make a change of control offer with respect to the consummation of the Graham Packaging Acquisition.

Graham Packaging did not receive the requisite consents from holders of the Graham Packaging 2017 Notes or the Graham Packaging 2018 Notes with respect to the proposed amendments. On August 4, 2011 the Graham Packaging Tender Offers related to the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes expired.

Senior Secured Intercompany Loan Agreement

In connection with the Graham Packaging Acquisition, Reynolds Group Holdings Inc., an indirect wholly-owned subsidiary of RGHL, loaned $2,078 million to certain subsidiaries of Graham Holdings pursuant to an intercompany loan agreement, the proceeds of which were used to repay Graham Packaging s senior secured credit facilities. This intercompany loan was guaranteed by the guarantors of Graham Packaging s former senior secured credit facilities and was secured by a first priority perfected security interest in certain assets of Graham Holdings and certain of its subsidiaries.

Following the redemption of the Graham Packaging Notes, the intercompany loan agreement was amended and restated, the related guarantees were released and the related security arrangements were terminated. Concurrently, Graham Holdings and certain of its U.S. subsidiaries became guarantors of the notes and our Senior Secured Credit Facilities and pledged certain assets for the benefit of the holders of the secured notes and the lenders under our Senior Secured Credit Facilities.

Change of Control Offer

On September 16, 2011, Graham Packaging commenced a change of control offer with respect to the Graham Packaging 2017 Notes and Graham Packaging 2018 Notes to repurchase for cash at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase, as required by the applicable indentures. Holders of $240 million aggregate principal amount of Graham Packaging 2017 Notes and $231 million aggregate principal amount of Graham Packaging 2018 Notes tendered their notes in the change of control offer prior to its expiration on October 17, 2011, and the tendered notes were purchased on October 20, 2011. We refer to this change of control offer as the Graham Packaging Change of Control Offer.

We refer to the Graham Packaging Acquisition, the Graham Packaging Acquisition Financing Arrangements and the other related transactions, including the Graham Packaging Change of Control Offer, as the Graham Packaging Transaction.

The Dopaco Acquisition

On May 2, 2011, we acquired Dopaco from Cascades Inc. The consideration for the acquisition was $395 million in cash. The purchase price was paid from existing cash of the RGHL Group. We refer to this acquisition as the Dopaco Acquisition. We are in the process of combining Dopaco with our Pactiv Foodservice segment.

The 2011 Refinancing Transactions

On February 1, 2011, the Issuers issued $1,000 million principal amount of February 2011 Senior Secured Notes and $1,000 million principal amount of February 2011 Senior Notes. Proceeds from the offering of the February 2011 Notes were used to fully repay the Original Tranche D Term Loans, and the remaining proceeds have been or will be used for general corporate purposes.

On February 9, 2011, we entered into an amended and restated credit agreement and borrowed $2,325 million in U.S. term loans and 250 million in European term loans. The proceeds from the term loans under the Senior Secured Credit Facilities were applied to refinance all term loans outstanding under the original senior secured credit facilities which consisted of (i) $1,035 million of U.S. term loans, or the Original U.S. Term Loans, which were borrowed on November 5, 2009; (ii) $800 million of U.S. Tranche C term loans, or the Original Tranche C Term Loans, which were borrowed on May 4, 2010; (iii) $500 million of U.S. Tranche A term loans, or the Original Tranche A Term Loans, and $1,520 million of U.S. Tranche D term loans, or the Original Tranche D Term Loans, which were borrowed on November 16, 2010; (iv) 250 million of European term loans, or the Original European Term Loans, which were borrowed on November 5, 2009; (v) a U.S. revolving credit facility of $120 million; and (vi) a European revolving credit facility of 80 million. This refinancing resulted in reducing the interest rates and extending the repayment terms and maturity date of our term loans.

We refer to these refinancing transactions as the 2011 Refinancing Transactions.

The Pactiv Transaction

On November 16, 2010, a wholly-owned indirect subsidiary of RGHL merged with and into Pactiv, with Pactiv surviving the merger as an indirect wholly-owned subsidiary of RGHL. We refer to this merger as the Pactiv Acquisition. Pactiv s stockholders received $33.25 in cash for each share of Pactiv common stock, for a total enterprise value, including net debt, of $5.8 billion.

In connection with the Pactiv Acquisition, we commenced an offer to purchase and consent solicitation with respect to the Pactiv 2018 Notes. Pursuant to such tender offer, Pactiv purchased for cash $234 million in aggregate principal amount of tendered Pactiv 2018 Notes, with $16 million in aggregate principal amount remaining outstanding as of December 31, 2011. Pursuant to such tender offer, Pactiv obtained the requisite consents to eliminate the covenant requiring Pactiv to make an offer to purchase the Pactiv 2018 Notes if a change of control triggering event occurs, as defined in the applicable indenture.

We also commenced a change of control offer with respect to the Pactiv 2012 Notes, as required by the applicable indenture. Pursuant to the change of control offer, Pactiv purchased for cash $1 million in aggregate principal amount of tendered Pactiv 2012 Notes. On March 16, 2012, the Pactiv 2012 Notes were redeemed. See The 2012 Refinancing Transactions.

We financed the Pactiv Acquisition with (i) the $1,500 million principal amount of October 2010 Senior Secured Notes, (ii) the $1,500 million principal amount of October 2010 Senior Notes, (iii) the $2,020 million principal amount of the Original Tranche A Term Loans and Original Tranche D Term Loans and (iv) $322 million in cash contributed to RGHL. See Description of Certain Other Indebtedness and Intercreditor Agreements.

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

The Reynolds Foodservice Acquisition

On September 1, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the equity of the Reynolds foodservice packaging business from an affiliated entity that is beneficially owned by our strategic owner, Mr. Graeme Hart. The total purchase price was $342 million, which was paid with existing cash. We refer to this acquisition as the Reynolds Foodservice Acquisition. See Shareholders and Related Party Transactions Related Party

Transactions Acquisitions Reynolds Foodservice Acquisition.

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The Evergreen Transaction

On May 4, 2010, certain indirect wholly-owned subsidiaries of RGHL acquired the equity of the business that constitutes our Evergreen segment from affiliated entities that are beneficially owned by our strategic owner, Mr. Graeme Hart, for a total purchase price of $1,612 million. We refer to this acquisition as the Evergreen Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Evergreen Acquisition.

On the same date, an indirect wholly-owned subsidiary of RGHL acquired the assets and liabilities associated with the Whakatane paper mill from Carter Holt Harvey Limited, a New Zealand Company and an indirect wholly-owned subsidiary of Rank Group, or CHH , for a total purchase price of $46 million. We refer to this acquisition as the Whakatane Acquisition. After the consummation of the Whakatane Acquisition, the Whakatane paper mill became a part of our SIG segment. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Whakatane Acquisition.

We financed the Evergreen Acquisition and the Whakatane Acquisition with (i) the $1,000 million principal amount of the May 2010 Notes, (ii) the $800 million principal amount of the Original Tranche C Term Loans and (iii) available cash. On the date of the closing of the acquisitions, certain credit facilities of the acquired businesses were fully repaid.

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

The RGHL Transaction

On November 5, 2009, Beverage Packaging Holdings III S.a.r.l, or BP III, acquired the equity of the business that constitutes our Closures segment from an affiliated entity that is beneficially owned by our strategic owner, Mr. Graeme Hart, for a total purchase price of $708 million. We refer to this acquisition as the Closures Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Closures Acquisition.

On the same date, BP III acquired the equity of the Reynolds consumer products business from an affiliated entity that is beneficially owned by our strategic owner Mr. Graeme Hart, for a total purchase price of $984 million. We refer to this acquisition as the Reynolds Consumer Acquisition and together with the Closures Acquisition as the RGHL Acquisition. See Shareholders and Related Party Transactions Related Party Transactions Acquisitions Reynolds Consumer Acquisition.

We financed the RGHL Acquisition with (i) a $544 million cash contribution by RGHL to BP I, (ii) the $1,125 million and the 450 million principal amount of 2009 Notes, (iii) the $1,035 million principal amount of the Original U.S. Term Loans, (iv) the 250 million principal amount of the Original European Term Loans, and (v) 116 million of cash from SIG.

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

The Reynolds Acquisition

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities that are ultimately owned by our strategic owner, Mr. Graeme Hart, acquired Alcoa s closures, consumer products and food and flexible packaging businesses for a total purchase price of $2.7 billion. We refer to this acquisition as the Reynolds Acquisition.

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

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The SIG Transaction

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

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

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

The Initial Evergreen Acquisition

Through a series of acquisitions that occurred from January 31, 2007 to April 30, 2007, certain entities that were ultimately owned by our strategic owner, Mr. Graeme Hart, acquired IP s Bev Pack Business for $497 million in cash. We refer to this acquisition as the Initial Evergreen Acquisition.

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

The Initial Evergreen Acquisition was financed with a total of $425 million drawn under a facility agreement.

USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreements we entered into in connection with the private offerings of the old notes. We will not receive any cash proceeds from the issuance of the new notes under the exchange offer. In consideration for issuing the new notes of each series as contemplated by this prospectus, we will receive old notes of the same series in like principal amount, the terms of which are identical in all material respects to the new notes of the same series, subject to limited exceptions. Old notes surrendered in exchange for new notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the new notes will not result in any increase in our indebtedness or capital stock.

The net proceeds from the sale of the outstanding 2009 Notes were approximately $1,043 million and 436 million. We used the proceeds from the issuance of the 2009 Notes together with cash contributed by RGHL to BP I, as common equity, funds from the Original U.S. Term Loans and the Original European Term Loans and available cash (i) to partially finance the RGHL Acquisition, (ii) to repay existing indebtedness of RGHL and the acquired businesses and (iii) to pay related fees and expenses. The Original U.S Term Loans and the Original European Term Loans would have matured in 2015. At the time of repayment, the U.S. Term Loans had interest rates between 6.25% and 6.75% and the Original European Term Loans had an interest rate of 6.75%.

The net proceeds from the sale of the May 2010 Notes were approximately $972 million. We used the proceeds from the issuance of the May 2010 Notes together with the funds from the Original Tranche C Term Loans and available cash (i) to finance the Evergreen Acquisition, (ii) to finance the Whakatane Acquisition, (iii) to repay term loans under certain credit facilities of the acquired businesses, which would have expired in 2012 and had interest rates ranging from 1.37% to 3.82% and (iv) to pay related fees and expenses related to the foregoing. The remaining proceeds of the May 2010 Notes and the Original Tranche C Term Loans were available for general corporate purposes.

The net proceeds from the sale of the October 2010 Notes were approximately $2,959 million. We used the proceeds from the issuance of the October 2010 Senior Secured Notes and October 2010 Senior Notes together with cash contributed by RGHL s shareholder, funds from the Original Tranche A Term Loans and Original Tranche D Term Loans and available cash (i) to finance the Pactiv Acquisition, (ii) to repay certain Pactiv indebtedness including the purchase of $1 million in aggregate principal amount of Pactiv 2012 Notes, $234 million in aggregate principal amount of Pactiv 2018 Notes and $130 million of borrowings under Pactiv s asset securitization program which would have expired in 2012 and had an interest rate at the time of repayment of 1.46% and (iii) to pay related fees and expenses to the foregoing. The remaining proceeds of the October 2010 Notes and the Original Tranche A Term Loans and Original Tranche D Term Loans were available for general corporate purposes.

The net proceeds from the sale of the February 2011 Notes were approximately $1,966 million. We used the proceeds from the issuance of the February 2011 Senior Secured Notes and the February 2011 Senior Notes to repay the Original Tranche D Term Loans under the Original Senior Secured Credit Facilities. The Original Tranche D Term Loans would have matured in 2016. At the time of repayment, the Original Tranche D Term Loans had an interest rate of 6.5%. The remaining $456 million was used for general corporate purposes, including to finance the Dopaco Acquisition.

The net proceeds from the sale of the August 2011 Notes were approximately $2,421 million. We used the proceeds from the issuance of the August 2011 Senior Secured Notes and the August 2011 Senior Notes, together with the funds from the New Incremental Senior Secured Credit Facilities and available cash (i) to finance the Graham Packaging Transaction, which included the repayment of term loans under Graham Packaging s credit facility which would have expired between 2012 and 2016 and had interest rates at the time of repayment ranging from 6.00% to

6.75%, and (ii) to pay related fees and expenses related to the foregoing. In addition, we used proceeds to repurchase the Graham Packaging 2017 Notes and Graham Packaging 2018 Notes tendered in connection with the Graham Packaging Change of Control Offer.

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The net proceeds from the sale of the February 2012 Notes were approximately $1,224 million. We used the net proceeds from the issuance of the February 2012 Notes to refinance the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging Senior Subordinated Notes and the $249 million outstanding aggregate principal amount of Pactiv 2012 Notes and pay fees associated with the early repayment of these notes by depositing funds, on February 15, 2012, with the trustees of the Graham Packaging Notes and of the Pactiv 2012 Notes, respectively, to satisfy and discharge their obligations pursuant to the indentures governing these notes. In addition, the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes redeemed such notes on March 16, 2012. RGHL intends to use the remaining net proceeds from the offering of the February 2012 Notes for general corporate purposes.

SELECTED HISTORICAL CONSOLIDATED AND HISTORICAL COMBINED FINANCIAL DATA

RGHL Group

The following tables set forth the selected historical combined financial data of the RGHL Group Predecessor (prepared on a U.S. GAAP basis) and the selected historical financial data of the RGHL Group Successor (prepared on an IFRS basis). On January 31, 2007, Rank Group, through its indirect wholly-owned subsidiary Evergreen Packaging New Zealand Limited, commenced the acquisition of IP s Bev Pack Business. The acquisition occurred in stages from January 31, 2007 to April 30, 2007. Prior to the Initial Evergreen Acquisition, the RGHL Group had no significant operations. We refer to IP s Bev Pack Business (or a subset thereof) prior to January 31, 2007 as the RGHL Group Predecessor and the RGHL Group as the RGHL Group Successor for purposes of the presentation of the financial information below.

The selected historical financial data of the RGHL Group Successor as of December 31, 2007, 2008 and 2009 and for the period from January 31, 2007 to December 31, 2007 and for the year ended December 31, 2008 have been derived from the RGHL Group Successor s audited financial statements which are not included in this prospectus. The selected historical financial data of the RGHL Group Successor as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from the RGHL Group Successor s audited financial statements included elsewhere in this prospectus.

Given the potential for differences between IFRS and U.S. GAAP, caution is required when comparing financial data across periods. Furthermore, certain presentations and classifications in the RGHL Group Predecessor financial statements that were prepared based on U.S. GAAP are inconsistent with the RGHL Group Successor IFRS presentations. See Summary Presentation of Financial Information and Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

The following data should be read in conjunction with the financial statements and related notes, and other information included elsewhere in this prospectus, including Operating and Financial Review and Prospects and Risk Factors .

IFRS Selected Financial Data

The following selected financial data as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from the audited IFRS financial statements of the RGHL Group Successor included elsewhere in this prospectus. The following selected financial data as of

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December 31, 2007, 2008 and 2009 and for the years ended December 31, 2007 and 2008 have been derived from audited IFRS financial statements of the RGHL Group Successor that are not included in this prospectus.

	RGHL Group Successor Year Ended December 31,				
	2007*	2008**	2009	2010***	2011****
			(IFRS) (In $ millions)		
Income Statement					
Revenue	$ 2,042	$ 6,013	$ 5,910	$ 6,774	$ 11,789
Cost of sales	(1,775)	(5,309)	(4,691)	(5,524)	(9,725)
Gross profit	**267**	**704**	**1,219**	**1,250**	**2,064**
Other income	155	94	201	102	87
Selling, marketing and distribution expenses	(60)	(229)	(211)	(231)	(347)
General and administration expenses	(178)	(334)	(366)	(392)	(628)
Other expenses	(41)	(247)	(96)	(80)	(268)
Share of profits of associates and joint ventures, net of income tax (equity method)	4	6	11	18	17
Profit from operating activities	**147**	**(6)**	**758**	**667**	**925**
Financial income	14	165	21	66	22
Financial expenses	(302)	(409)	(513)	(752)	(1,420)
Net financial expenses	**(288)**	**(244)**	**(492)**	**(686)**	**(1,398)**
Profit (loss) before income tax	**(141)**	**(250)**	**266**	**(19)**	**(473)**
Income tax benefit (expense)	30	63	(149)	(78)	56
Profit (loss) from continuing operations for the period	**$ (111)**	**$ (187)**	**$ 117**	**$ (97)**	**$ (417)**
Other operating data (unaudited)					
Ratio of earnings to fixed charges(1)	*****	*****	1.6x	*****	*****

* Represents 11 months of operations for the Evergreen segment and seven months of operations for the SIG segment.

** Represents a full year of operations for the SIG and Evergreen segments and 10 months of operations for the Closures segment, the Reynolds consumer products business prior to the Pactiv Acquisition and the Reynolds foodservice packaging business prior to the Pactiv Acquisition.

*** Represents a full year of operations for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include operations of our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from

November 16, 2010 to December 31, 2010.

**** Includes the operations of Dopaco for the period from May 2, 2011 to December 31, 2011 and Graham Packaging for the period from September 8, 2011 to December 31, 2011.

***** Due to pre-tax losses in 2007, 2008, 2010 and 2011, the ratio coverage was less than 1.0x. The RGHL Group Successor would have needed to generate additional earnings of $145 million, $258 million, $34 million and $488 million in 2007, 2008, 2010 and 2011, respectively, in order to achieve a coverage of 1.0x.

Derived from the audited financial statements of the RGHL Group.

(1) The ratio of earnings to fixed charges is calculated by dividing earnings before income taxes from continuing operations by fixed charges of continuing operations. For the periods presented, fixed charges consisted of interest expense, amortization and the write-off of financing costs and original issue discount, and management s estimate of interest within rent expense using an approximate interest factor.

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	RGHL Group Successor As of December 31,				
	2007*	2008**	2009	2010***	2011****
	(IFRS) (In $ millions)				
Balance Sheet Data					
Cash and cash equivalents	$ 340	$ 387	$ 516	$ 664	$ 597
Trade and other receivables	484	710	683	1,150	1,506
Inventories	401	828	756	1,281	1,773
Property, plant and equipment	1,242	1,940	1,825	3,266	4,535
Intangible assets	1,910	3,361	3,279	8,748	12,531
Other assets	635	700	703	867	946
Total assets	**5,012**	**7,926**	**7,762**	**15,976**	**21,888**
Trade and other payables current	361	710	761	1,246	1,758
Borrowings current	912	2,361	112	141	521
Borrowings non-current	2,987	2,544	4,842	11,701	16,625
Other liabilities	822	1,285	943	2,624	3,161
Total liabilities	**5,082**	**6,900**	**6,658**	**15,712**	**22,065**
Net assets (liabilities)	**$ (70)**	**$ 1,026**	**$ 1,104**	**$ 264**	**$ (177)**

* Represents balance sheet data for the SIG and Evergreen segments.

** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments.

*** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments. Reynolds Consumer Products and Pactiv Foodservice include balance sheet data for our Hefty consumer products and Pactiv foodservice packaging businesses, respectively.

**** Represents balance sheet data for the SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments.

Derived from the audited financial statements of the RGHL Group.

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U.S. GAAP Selected Financial Data

The selected historical financial data of the RGHL Group Predecessor (represented by the North American operations of IP s Bev Pack Business) for the one-month period from January 1, 2007 to January 31, 2007 have been derived from the North American operations of IP s Bev Pack Business audited combined financial statements which are not included in this prospectus.

	North American Operations of IP s Bev Pack Business Period from January 1 to January 31, 2007* (U.S. GAAP) (In $ millions)
Income Statement	
Net sales	$ 62
Costs and expenses	
Cost of products sold (exclusive of depreciation and amortization included below)	(44)
Selling, general and administrative expenses	(4)
Distribution expenses	(3)
Depreciation and amortization	(3)
Tax other than income	(1)
Goodwill impairment and other charges	(1)
Sale of business IPI Japan	
Reversal of reserves no longer required	
Operating income	**6**
Interest income	
Interest expense	
Other income net	
Income before income taxes, minority interest expense and equity earnings	**6**
Income tax expense	N/A
Minority interest expense net of tax	N/A
Equity earnings net of tax	N/A
Net income	**$ N/A**
Other operating data (unaudited)	
Ratio of earnings to fixed charges(1)	N/A

* Derived from the financial statements of the North American operations of IP s Bev Pack Business which did not include accounting for income tax expense, minority interest expense net of tax, equity earnings net of tax, or net

income.

The selected historical financial data of the North American operations of IP s Bev Pack Business are not directly comparable to the selected financial data of the RGHL Group Successor for a variety of reasons including, among other items, the following:

The selected historical financial data of the North American operations of IP s Bev Pack Business, which are not included in this prospectus, have been derived from their audited financial statements prepared in accordance with U.S. GAAP. The RGHL Group Successor s financial statements, which are included in this prospectus, are presented in accordance with IFRS. See Summary Summary of Certain Differences Between IFRS and U.S. GAAP.

The selected historical financial data of the North American operations of IP s Bev Pack Business are not necessarily indicative of the conditions that would have existed or the results of operations if the North American operations of IP s Bev Pack Business had been operated as a stand-alone company during the period presented.

The selected historical financial data for the one-month period ended January 31, 2007 represents the results of the North American operations of IP s Bev Pack Business only.

Some of the operations represented in the selected financial data of the North American operations of IP s Bev Pack Business are not reflected in the selected historical financial data of the RGHL Group Successor as such operations were not acquired by Rank Group.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical financial information of the RGHL Group, Dopaco and Graham Packaging, each of which is included elsewhere in this prospectus, as adjusted to illustrate the impact of the 2011 Refinancing Transactions, the Dopaco Acquisition, the Graham Packaging Transaction and the 2012 Refinancing Transactions (collectively, the Pro Forma Transactions). For further information regarding the Pro Forma Transactions, see the section titled The Transactions. The unaudited pro forma combined income statement gives effect to the Pro Forma Transactions as if they had been completed as of January 1, 2011.

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

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

IFRS financial information for the RGHL Group under the column titled Historical RGHL Group has been derived without adjustment from the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, which is included elsewhere in this prospectus.

The column titled Adjustments for the Full Period Effect of the 2011 Financing Transactions in the unaudited pro forma combined income statements reflects the adjustments associated with the financing components of the Graham Packaging Transaction and the 2011 Refinancing Transactions. Specifically, this column gives effect to (i) the issuance of the August 2011 Notes, the drawings under the New Incremental Senior Secured Credit Facilities and incremental interest on the Senior Secured Credit Facilities, (ii) the issuance of the February 2011 Notes, the drawings under the Senior Secured Credit Facilities and the repayment of the Original Senior Secured Credit Facilities, that were completed during February 2011 and (iii) the transaction fees and expenses associated with these transactions. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

U.S. GAAP financial information for Dopaco under the column titled Historical Dopaco has been derived from Dopaco s audited combined financial statements as of May 1, 2011 and for the 126-day period ended May 1, 2011, which is included elsewhere in this prospectus, and which has been reclassified to conform with the RGHL Group reporting format.

The column titled Adjustments to Historical Dopaco Results on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition reflects certain adjustments to convert Dopaco s U.S. GAAP financial information to IFRS, to align Dopaco s U.S. GAAP accounting policies with the RGHL Group s IFRS accounting policies and to reflect management s assessment of the impact of fair values on periods prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information. For a discussion of certain differences between IFRS and U.S. GAAP see Summary of Certain Differences Between IFRS and U.S. GAAP.

U.S. GAAP financial information for Graham Packaging under the column titled Historical Graham Packaging as Adjusted has been derived from Graham Packaging s unaudited accounting records for the period from January 1, 2011 to September 8, 2011, which incorporate the unaudited condensed consolidated financial statements as of and for the six month period ended June 30, 2011, which is included elsewhere in this prospectus and has been reclassified to conform with the RGHL Group reporting format.

The column titled Adjustments to Historical Graham Packaging Results on Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition reflects certain adjustments to convert Graham Packaging s U.S. GAAP financial information to IFRS, to align Graham Packaging s U.S. GAAP accounting policies with the RGHL Group s IFRS accounting policies and to reflect the preliminary assessment of the provisional impact of fair values on the period prior to the acquisition by the RGHL Group. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information. For a discussion of certain differences between IFRS and U.S. GAAP see Summary of Certain Differences Between IFRS and U.S. GAAP.

The column titled 2012 Refinancing Transactions reflects (i) the issuance of the $1,250 million of the February 2012 Notes, (ii) the application of the proceeds from the offering of the February 2012 Notes and (iii) the payment of related fees and expenses. See The Transactions The 2012 Refinancing Transactions. The basis for these adjustments is explained in the notes accompanying the unaudited pro forma combined financial information.

The unaudited pro forma adjustments are based upon current available information and assumptions that we believe to be reasonable. The pro forma adjustments and related assumptions are described in the notes accompanying the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information is for informational purposes only and is not intended to represent or to be indicative of the results of operations or financial position that the RGHL Group or the pro forma combined group would have reported had the Pro Forma Transactions been completed as of the dates set forth in this unaudited pro forma combined financial information and should not be taken as being indicative of our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited pro forma combined financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. As a result, the unaudited pro forma combined financial information does not purport to be indicative of what the financial condition or results of operations would have been had the Pro Forma Transactions been completed on the applicable dates of the unaudited pro forma combined financial information.

With respect to the fair value and other adjustments related to the Dopaco Acquisition, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Dopaco Acquisition had been completed as of January 1, 2011 for the purposes of the unaudited pro forma combined income statement and as of May 2, 2011 (the date of the Dopaco Acquisition) for purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Dopaco Acquisition, with any excess purchase price allocated to goodwill. As of December 31, 2011, the RGHL Group s audited financial statements include the effects of the allocation of the purchase price from the date of the Dopaco Acquisition. In accordance with IFRS, we have finalized and presented the impact of the fair values from the date of acquisition which also includes confirmation of the remaining useful lives of property, plant and equipment and intangibles.

With respect to the preliminary fair value and other adjustments related to the Graham Packaging Transaction, the unaudited pro forma combined financial information has been prepared using the purchase method of accounting as if the Graham Packaging Transaction had been completed as of January 1, 2011 for the purposes of the unaudited pro forma combined income statement and as of September 8, 2011 (the date of the Graham Packaging Acquisition) for purposes of the unaudited pro forma combined balance sheet. Under the purchase method of accounting, the purchase price is required to be allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values as of the date of the Graham Packaging Acquisition, with any excess purchase price allocated to goodwill. The allocation of the purchase price as reflected in the unaudited pro forma combined financial information is based upon management s internally developed estimates of the fair value of the assets acquired and liabilities assumed as if the Graham Packaging Acquisition had been

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completed as of the above dates. This allocation of the purchase price depends upon certain estimates and assumptions, all of which are preliminary and have been made solely for the purpose of developing the unaudited pro forma combined financial information. We have commenced the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed and the related allocation of the purchase price upon the closing of the Graham Packaging Acquisition. In accordance with the requirements of IFRS 3(R), we will complete the appraisals necessary to finalize the required purchase price allocation within one year of the closing date of the Graham Packaging Acquisition, at which time the final allocation of the purchase price will be determined. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation, and those differences may be material.

The unaudited pro forma combined income statement does not include adjustments for (i) any prospective revenue or cost saving synergies that may be achieved, in addition to those reflected in the historical financial information, since the completion of the Dopaco Acquisition or the Graham Packaging Acquisition or as a result of any of the other acquisitions we have completed or (ii) the impact of non-recurring items directly related to the Pro Forma Transactions or any of the other acquisitions we have completed. In addition, the unaudited pro forma combined financial information does not give effect to any of the adjustments made to derive the RGHL Combined Group Adjusted EBITDA, which are each described under Summary Summary Historical and Pro Forma Combined Financial Information.

The unaudited pro forma combined financial information only shows profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions.

The unaudited pro forma combined financial information should be read in conjunction with the Glossary of Selected Terms, Summary Presentation of Financial Information, Risk Factors, The Transactions, Operating and Financial Review and Prospects and the historical financial statements and the notes thereto, which are included elsewhere in this prospectus.

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Unaudited Pro Forma Combined Balance Sheet as of December 31, 2011

	Historical RGHL Group(1)	The 2012 Refinancing Transactions(8)	Pro Forma RGHL Combined Group(10)
		(In $ millions)	
Assets			
Cash and cash equivalents	$ 597	$ 555(a)	$ 1,152
Trade and other receivables	1,506		1,506
Derivatives	1		1
Assets held for sale	70		70
Current tax assets	39		39
Inventories	1,773		1,773
Other assets	68		68
Total current assets	**4,054**	**555**	**4,609**
Non-current receivables	321		321
Investments in associates and joint ventures	119		119
Deferred tax assets	27	7	34
Property, plant and equipment	4,535		4,535
Investment property	29		29
Intangible assets	12,531		12,531
Derivatives	122	(7)(b)	115
Other assets	150		150
Total non-current assets	**17,834**		**17,834**
Total assets	**$ 21,888**	**$ 555**	**$ 22,443**
Liabilities			
Bank overdrafts	$ 3	$	$ 3
Trade and other payables	1,758		1,758
Borrowings	521	(453)(c)	68
Current tax liabilities	164		164
Derivatives	16		16
Liabilities held for sale	20		20
Employee benefits	227		227
Provisions	98		98
Total current liabilities	**2,807**	**(453)**	**2,354**
Non-current payables	33		33
Borrowings	16,625	1,013(d)	17,638
Deferred tax liabilities	1,539		1,539

Employee benefits	934		934
Provisions	127		127
Total non-current liabilities	**19,258**	**1,013**	**20,271**
Total liabilities	**22,065**	**560**	**22,625**
Net assets (liabilities)	**$ (177)**	**$ (5)**	**$ (182)**
Share capital	$ 1,695	$	$ 1,695
Reserves	(1,213)		(1,213)
Retained earnings (accumulated losses)	(681)	(5)(e)	(686)
Equity (deficit) attributable to the equity holder of the parent entity	**(199)**	**(5)**	**(204)**
Minority interests	22		22
Total equity (deficit)	**$ (177)**	**$ (5)**	**$ (182)**

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Unaudited Pro Forma Combined Income Statement for the Year Ended December 31, 2011

	Historical RGHL Group(1)	Adjustments for the Full Period Effect of the 2011 Financing Transactions(2)	Historical Dopaco(3)	Adjustments to Historical Dopaco Results on Conversion from US GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition(4)	Historical Graham Packaging as Adjusted(5)	Adjustments to Historical Graham Packaging Results on Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition(6)	Pro Forma RGHL Combined Group(7)	The 2012 Refinancing Transactions[8]	Pro Forma RGHL Combined Group[9
venue	$ 11,789	$	$ 153	$ (4)(c)	$ 2,130	$	$ 14,068	$	$ 14,06
st of sales	(9,725)		(133)	7(a)(c)	(1,816)	(75)(d)	(11,742)		(11,74
oss profit	**2,064**		**20**	**3**	**314**	**(75)**	**2,326**		**2,32**
her income pense)	87				(1)		86		8
ling, marketing d distribution penses	(347)		(3)		(74)		(424)		(42
neral and ministration penses	(628)		(11)	(3)(a)	(101)	(35)(a)(d)	(778)		(77
her expenses	(268)				(239)		(507)		(50
are of profit of ociates and joint tures, net of ome tax (equity thod)	17						17		1

ofit (loss) from erating ivities	**925**		**6**		**(101)**	**(110)**	**720**		**72**
ancial income	22				1		23		2
ancial expenses	(1,420)	(141)(a)(b)			(142)	125(c)	(1,578)	(92)(f)	(1,67
t financial penses	**(1,398)**	**(141)**			**(141)**	**125**	**(1,555)**	**(92)**	**(1,64**
ofit/(loss) before ome tax	**(473)**	**(141)**	**6**		**(242)**	**15**	**(835)**	**(92)**	**(92**
ome tax benefit pense)	56	52(c)	(1)	(2)(b)	(27)	(5)(b)(e)	73	34(g)	10
ofit (loss) from ntinuing erations before n-recurring arges directly ributable to the o Forma ansactions	**$ (417)**	**$ (89)**	**$ 5**	**$ (2)**	**$ (269)**	**$ 10**	**$ (762)**	**$ (58)**	**$ (82**

(1) Historical RGHL Group

The historical financial information of the RGHL Group is derived from:

The audited historical balance sheet of the RGHL Group as of December 31, 2011, which is included elsewhere in this prospectus; and

The audited historical income statement of the RGHL Group for the year ended December 31, 2011, which is included elsewhere in this prospectus.

(2) Adjustments for the Full Period Effect of the Financing Components of the Historical 2011 Financing Transactions

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

		For the Year Ended December 31, 2011 (In $ millions)
2011 Refinancing Transactions(a)		127
Graham Packaging Transaction(b)		(268)
Net adjustment to financial expenses	**$**	**(141)**

(a) 2011 Refinancing Transactions

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

The unaudited pro forma combined income statement includes the adjustments to illustrate the 2011 Refinancing Transactions as if they had been completed as of January 1, 2011 comprising:

		For the Year Ended December 31, 2011 (In $ millions)
Interest expense on the February 2011 Senior Secured Notes(i)	$	(6)
Interest expense on the February 2011 Senior Notes(ii)		(7)
Total interest expense on the February 2011 Notes		**(13)**

Interest expense on the Senior Secured Credit Facilities (Dollar)(iii)		(11)
Interest expense on the Senior Secured Credit Facilities (Euro)(iii)		(2)
Total interest expense on the Senior Secured Credit Facilities		**(13)**
Adjustment for interest expense on the Original Senior Secured Credit Facilities repaid(iv)		29
Adjustment for amortization of original issue discount and issuance costs on the Original Senior Secured Credit Facilities repaid(iv)		124
Net adjustment to financial expenses	**$**	**127**

(i) Reflects the incremental cash interest expense of 6.875% on the $1,000 million principal amount of the February 2011 Senior Secured Notes.

(ii) Reflects the incremental cash interest expense of 8.250% on the $1,000 million principal amount of the February 2011 Senior Notes.

(iii) Reflects the incremental cash interest expense of 4.25% and 5.00% for the USD and Euro tranches of the Senior Secured Credit Facilities, respectively (based on an adjusted LIBOR floor of 1.00% and a margin of 3.25%, and on an adjusted LIBOR floor of 1.50% and a margin of 3.50%, respectively).

(iv) Reflects the adjustment for interest expense and non-cash amortization expenses with respect to the debt issuance costs and original issue discount associated with the Original Senior Secured Credit Facilities repaid as part of the 2011 Refinancing Transactions. The adjustments are calculated as follows:

	For the Year Ended December 31, 2011 (In $ millions)	
Actual interest expense related to the Original U.S. Term Loans and the Original European Term Loans as recorded in the historical RGHL Group financial statements	$	29
Adjustment for interest expense and unamortized debt issuance costs on the Original Senior Secured Credit Facilities repaid	**$**	**29**
Actual amortization of debt issuance costs related to the Original U.S. Term Loans and the Original European Term Loans as recorded in the historical RGHL Group financial statements	$	86
Actual amortization of original issue discounts related to the Original U.S. Term Loans and the Original European Term Loans as recorded in the historical RGHL Group financial statements		38
Adjustment for unamortized original issue discount and debt issuance costs on the Original Senior Secured Credit Facilities repaid	**$**	**124**

(b) Graham Packaging Transaction

As part of the Graham Packaging Transaction, the RGHL Group (i) entered into an amendment to the Senior Secured Credit Facilities under which it agreed to certain new terms including incremental interest on the term loans of the Senior Secured Credit Facilities and drew $2,000 million under the Incremental Senior Secured Credit Facilities, (ii) issued the August 2011 Notes and (iii) incurred certain fees and expenses.

The unaudited pro forma combined income statement includes the net adjustment to financial expenses as if the Graham Packaging Transaction had been completed as of January 1, 2011, comprising:

	For the Year Ended December 31, 2011 (In $ millions)	
Interest expense on the August 2011 Senior Secured Notes(i)	$	(72)
Interest expense on the August 2011 Senior Notes(ii)		(60)
Amortization of the August 2011 Notes issuance costs and original issue discount(iii)		(4)

Total interest expense on the August 2011 Notes		**(136)**
Interest expense on the New Incremental Senior Secured Credit Facilities(iv)		(90)
Incremental interest expense on the Senior Secured Credit Facilities(v)		(34)
Interest expense on the new related party loan with Reynolds Treasury (NZ) Limited(vi)		(1)
Amortization of the New Incremental Senior Secured Credit Facilities issuance costs and original issue discount(vii)		(7)
Net adjustment to financial expenses	**$**	**(268)**

(i) Reflects an interest rate of 7.875% on the $1,500 million principal amount of the August 2011 Senior Secured Notes. Interest is paid in dollars.

(ii) Reflects an interest rate of 9.875% on the $1,000 million principal amount of the August 2011 Senior Notes. Interest is paid in dollars.

(iii) Reflects non-cash amortization expense on $62 million of aggregate debt issuance costs and original issue discount of $18 million associated with the August 2011 Notes. This non-cash expense has been calculated using the effective interest rate method.

(iv) The interest rates used for pro forma purposes are based on the rates in effect upon the closing of the Graham Packaging Transaction. The interest rate on the term loans under the Incremental Senior Secured Credit Facilities was 6.50% on the closing date of the Graham Packaging Acquisition (based on an adjusted LIBOR ($ tranche) floor of 1.25% and a margin of 5.25%). Each 0.125% increase in the assumed interest rates used in the pro forma income statement would increase interest expense on the term loans under the Incremental Senior Secured Credit Facilities by $3 million in the year ended December 31, 2011. As the interest rate assumed for the purposes of the pro forma financial information is at the LIBOR floor, a 0.125% decrease in the assumed interest rates used in the pro forma income statement would not change the interest expense on the term loans under the Incremental Senior Secured Credit Facilities.

(v) Reflects the incremental interest of 6.50% on the Dollar Tranche of the Senior Secured Credit Facilities (based on an adjusted LIBOR floor of 1.25% and a margin of 5.25%) and the incremental interest of 6.75% on the Euro Tranche of the Senior Secured Credit Facilities (based on an adjusted EURIBOR floor of 1.50% and a margin of 5.25%), both as of the closing date of the Graham Packaging Acquisition. Each 0.125% increase in the assumed interest rates used in the pro forma income statement would increase the incremental interest expense on the Dollar Tranche of the Senior Secured Credit Facilities by $3 million in the year ended December 31, 2011. Each 0.125% increase in the assumed interest rates used in the pro forma income statement would increase the incremental interest expense on the Euro Tranche of the Senior Secured Credit Facilities by less than $1 million in the year ended December 31, 2011. As the interest rate assumed for the purposes of the pro forma financial information is at the LIBOR and EURIBOR floors, respectively, a 0.125% decrease in the assumed interest rates used in the pro forma income statement would not change interest expense on the term loans under the Dollar Tranche or the Euro Tranche of the Senior Secured Credit Facilities.

(vi) Reflects an interest rate of 6.875% on the principal amount of the related party loan with Reynolds Treasury (NZ) Limited of $25 million.

(vii) Reflects non-cash amortization expense with respect to an aggregate $67 million of debt issuance costs and the $20 million of original issue discount associated with the term loans under the Incremental Senior Secured Credit Facilities. This non-cash expense has been calculated using the effective interest rate method.

(c) Income Tax Benefit (Expense)

Represents the net adjustment to income tax benefit (expense) as if the 2011 Refinancing Transactions and the financing components of the Graham Packaging Transaction had been completed as of January 1, 2011. The tax expense has been calculated using respective local statutory tax rates which range from 28% to 37%. A portion of the tax adjustment arising from the net adjustment to financial expenses has not been recognized as this potential tax benefit would be generated by entities that are unable to satisfy the criteria required for the recognition of a tax loss asset.

(3) Historical Dopaco

The historical financial information of Dopaco is derived from the audited historical combined financial statements of Dopaco as of May 1, 2011 and for the 126-day period ended May 1, 2011, which is included elsewhere in this prospectus.

The historical financial information extracted from the combined financial statements of Dopaco is prepared in accordance with U.S. GAAP. For the purpose of presenting the historical information of Dopaco

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in a reporting format that is consistent with that of the RGHL Group, certain components of Dopaco s combined statement of earnings have been reclassified.

The following reclassification has been made in the combined statement of earnings for the 126-day period ended May 1, 2011:

Selling and administrative expenses of $14 million as reported by Dopaco on the face of the income statement have been reclassified to Selling, marketing and distribution expenses ($3 million) and General and administration expenses ($11 million) based on the nature of the expenses.

(4) Adjustments to Historical Dopaco Results on Conversion from U.S. GAAP to IFRS, Fair Value and Other Adjustments for the Dopaco Acquisition

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

The historical financial information extracted from the audited combined balance sheet as of May 1, 2011 and the audited combined statement of earnings for the 126-day period ended May 1, 2011 were prepared in accordance with U.S. GAAP. Based on our analysis, we have not identified any material differences between U.S. GAAP and IFRS for Dopaco s financial information for the period presented.

See Summary Summary of Certain Differences Between IFRS and U.S. GAAP .

Fair Value Adjustments for the Dopaco Acquisition

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

The Dopaco Acquisition closed on May 2, 2011. The RGHL Group audited financial statements as of and for the year ended December 31, 2011, which are included elsewhere in this prospectus, include the effects of the final allocation of the purchase price as of the date of the acquisition.

The following adjustments reflect the impact on the historical Dopaco results from the fair value adjustments arising as a result of the acquisition of Dopaco by the RGHL Group:

(a) Reflects the income statement impact of the fair value adjustment to property, plant and equipment and finite life intangible assets as part of the acquisition of Dopaco by the RGHL Group.

To recognize the impact of the Dopaco Acquisition as if it had been completed as of January 1, 2011, depreciation expense would decrease and amortization expense would increase in the pro forma combined income statements for the year ended December 31, 2011, as follows:

	For the Year Ended December 31, 2011 (In $ millions)
Amortization of intangible assets (excluding goodwill)	$ 3

Depreciation of property, plant and equipment		(3)
Total	**$**	
Recognized in:		
Cost of sales	$	3
General and administration expenses		(3)
Total	**$**	

Due to the final assessment of the acquired property, plant and equipment, the estimated useful life of depreciable property, plant and equipment has increased from a historical value of 6 years to 11 years. The reduction in the fair value of the assets acquired (when compared to the predecessor historical gross book values) coupled with the increase in the estimated useful lives of the assets acquired has resulted in pro forma depreciation being less than the amount recorded in the historical Dopaco financial statements.

In addition, pro forma amortization expense has increased compared to the amount that was recorded in Dopaco s historical financial statements as a result of the final fair value assessment of the acquired identifiable amortizable intangible assets combined with the weighted average useful life of 11 years.

(b) Reflects the tax effect of the above preliminary fair value adjustments determined using a statutory tax rate of 34%.

Other Adjustments for the Dopaco Acquisition

The following other adjustment reflects the impact on the historical Dopaco income statement for the year ended December 31, 2011 resulting from the elimination of the historical intercompany sales and cost of sales between the RGHL Group and Dopaco.

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

	For the Year Ended December 31, 2011 (In $ millions)	
Revenue	$	(4)
Cost of sales		4
Gross profit	**$**	

(d) The final values of assets, liabilities and contingent liabilities recognized on the Dopaco Acquisition are as follows:

	(In $ millions)	
Cash and cash equivalents	$	3
Trade and other receivables		33
Assets held for sale		3
Deferred tax assets		4
Inventories		59
Property, plant and equipment		124
Intangible assets (excluding goodwill)		88
Goodwill on acquisition		170
Other current and non-current assets		6
Bank overdrafts		(5)
Trade and other payables		(24)
Deferred tax liability		(40)
Provisions and employee benefits		(26)

Net assets acquired	**$**	**395**

(5) Historical Graham Packaging as Adjusted

The historical financial information of Graham Packaging is derived from the unaudited accounting records for the period from January 1, 2011 to September 7, 2011, which incorporates the unaudited condensed consolidated statements of operations for the six month period ended June 30, 2011, which is included elsewhere in this prospectus (the composition of which is shown below).

	Historical Graham Packaging Income Statements as Adjusted		
	For the period from January 1, 2011 to June 30, 2011 (In $ millions)	For the period from July 1, 2011 to September 7, 2011	For the period from January 1, 2011 to September 7, 2011
Revenue	**$ 1,578**	**$ 552**	**$ 2,130**
Cost of sales	(1,338)	(478)	(1,816)
Gross profit	**240**	**74**	**314**
Other income (expense)		(1)	(1)
Selling, marketing and distribution expenses	(48)	(26)	(74)
General and administration expenses	(66)	(35)	(101)
Other expenses	(16)	(223)	(239)
Share of profit of associates and joint ventures, net of income tax (equity method)			
Profit (loss) from operating activities	**$ 110**	**$ (211)**	**$ (101)**
Financial income	1		1
Financial expenses	(106)	(36)	(142)
Net financial expenses	**$ (105)**	**$ (36)**	**$ (141)**
Profit (loss) before income tax	**$ 5**	**$ (247)**	**$ (242)**
Income tax benefit (expense)	(24)	(3)	(27)
Profit (loss) from continuing operations before non-recurring charges directly attributable to the Pro Forma Transactions	**$ (19)**	**$ (250)**	**$ (269)**

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

The following reclassifications have been made in the consolidated statement of operations for the period from January 1, 2011 to June 30, 2011:

The balance of Asset impairment charges of $3 million has been reclassified to Other expenses ;

Interest expense of $106 million has been reclassified to Financial expenses ;

Increase in income tax receivable obligations of $13 million has been reclassified to Other expenses ; and

Selling, general and administrative expenses of $114 million have been reclassified to Selling, marketing and distribution expenses ($48 million) and General and administration expenses ($66 million) based on the nature of the expenses.

The following reclassifications have been made in the consolidated statement of operations for the period from July 1, 2011 to September 7, 2011:

Other income (expense) net of ($1 million) as reported by Graham Packaging on the face of the income statement has been reclassified to Other income ;

The balance of Asset impairment charges of $1 million has been reclassified to Other expenses ;

Interest expense of $36 million has been reclassified to Financial expenses ;

Increase in income tax receivable obligations of $221 million has been reclassified to Other expenses ; and

Selling, general and administrative expenses of $61 million have been reclassified to Selling, marketing and distribution expenses ($26 million) and General and administration expenses ($35 million) based on the nature of the expenses.

(6) Adjustments to Historical Graham Packaging Results on Preliminary Conversion from U.S. GAAP to IFRS, Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition

Adjustments to Historical Graham Packaging Balances and Results on Conversion from U.S. GAAP to IFRS

The historical financial information of Graham Packaging was prepared in accordance with U.S. GAAP. For the purpose of presenting the unaudited pro forma combined financial information for the year ended December 31, 2011, the reclassified income statement information for the period from January 1, 2011 to September 7, 2011 has been converted to IFRS by applying the accounting policies of the RGHL Group as of January 1, 2011. In converting this data, management has made adjustments to amounts previously reported in Graham Packaging s financial statements under U.S. GAAP. See Summary Summary of Certain Differences Between IFRS and U.S. GAAP. An explanation of how the conversion of Graham Packaging from U.S. GAAP to IFRS has affected pro forma profit from continuing operations is set out below:

	For the Year Ended December 31, 2011 (In $ millions)	
Income (loss) from continuing operations as reported under U.S. GAAP	$	(269)
Adjustments for the preliminary conversion from U.S. GAAP to IFRS		
Employee benefits(a)		1
Income tax expense(b)		
Change in results		1
Profit (loss) after income taxes under IFRS	**$**	**(268)**

(a) Employee benefits

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

Under U.S. GAAP, Graham Packaging s net pension income (expense) included the amortization of unrecognized actuarial gains and losses. On transition to IFRS, all unrecognized actuarial gains and losses may be recognized directly in retained earnings. Accordingly, the IFRS periodic pension expense has no amortization component.

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The following table presents the components of the net adjustment to pension income (expense) and also the allocation of this adjustment in the pro forma income statements:

	For the Year Ended December 31, 2011 (In $ millions)
Reversal of amortized prior service costs and net loss	$ 1
Net adjustment to pension expense	**1**
Recognized as:	
(Increase) decrease to general and administration expenses	1
Net adjustment to profit from continuing operations	**$ 1**

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

(b) Income tax expense

The adjustments to income tax expense in the pro forma income statement reflects the tax effect of the U.S. GAAP to IFRS adjustments. The tax adjustment has been calculated using a statutory tax rate of 36%.

Preliminary Fair Value and Other Adjustments for the Graham Packaging Acquisition

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

The Graham Packaging Acquisition closed on September 8, 2011. The RGHL Group s audited financial statements as of December 31, 2011 and for the year ended December 31, 2011, which are included elsewhere in this prospectus, include the effects of the preliminary allocation of the purchase price. In accordance with IFRS, we are in the process of reviewing and finalizing the preliminary fair values. This process will be completed no later than September 8, 2012. The final purchase price allocation may be different than that reflected in the RGHL Group s audited financial statements as of December 31, 2011 or the financial information presented in this pro forma financial information, and those differences may be material.

The following adjustments reflect the impact on the historical Graham Packaging results from the fair value adjustments arising from the Graham Packaging Acquisition and the Graham Packaging Change of Control Offer:

(c) Represents the adjustment to net financial expenses resulting from the repayment of certain historical indebtedness of Graham Packaging in connection with the Graham Packaging Transaction:

	For the Year Ended December 31, 2011

		(In $ millions)
Elimination of historical interest, amortization of debt issuance costs and original issue discount on Graham Packaging s senior secured credit facilities, a portion of the Graham Packaging 2017 Notes, a portion of the Graham Packaging 2018 Notes and a portion of the Graham Packaging Senior Subordinated Notes(i)	$	124
Amortization of fair value adjustment to existing Graham Packaging borrowings(ii)		1
Net adjustment to financial expenses	**$**	**125**

(i) Represents the elimination of historical interest on Graham Packaging s former senior secured credit facilities for the period from January 1, 2011 to September 7, 2011 of $92 million, the Graham

Packaging 2017 Notes of $13 million, the Graham Packaging 2018 Notes of $13 million, and the Graham Packaging Senior Subordinated Notes of $1 million, and amortization of the associated issuance costs and original issue discount of $5 million.

(ii) Represents the accretion to the non-cash interest expense on the amortization of the fair value adjustment to the Graham Packaging borrowings that remain outstanding following the Graham Packaging Transaction.

(d) Reflects the impact of the preliminary fair value adjustments to property, plant and equipment:

Type of Property, Plant and Equipment		**Preliminary Fair Values (In $ millions)**	**Estimated Useful life**
Machinery and equipment	$	1,049	2-5 years
Buildings		224	4-15 years
Capital work in progress		85	Not applicable
Land		43	Indefinite
Preliminary fair value of property, plant and equipment	$	1,401	
Less historical property, plant and equipment after U.S. GAAP to IFRS adjustment		(1,205)	
Adjustment to property, plant and equipment	**$**	**196**	

The table below illustrates the effect of a 10% increase or decrease to the preliminary fair values of the acquired property, plant and equipment on the pro forma financial statements. Such increases or decreases would result in a corresponding offsetting but equal change in the preliminary value of goodwill.

	(In $ millions)
Estimated preliminary fair values	$ 1,401
Effect of a 10% increase in property, plant and equipment	1,541
Effect of a 10% decrease in property, plant and equipment	1,261

An increase or decrease of 10% to the preliminary fair values of the acquired property, plant and equipment would result in a corresponding increase or decrease in depreciation expense of $27 million for the year ended December 31, 2011.

For the purpose of the pro forma income statement, depreciation has been calculated based on the revised fair value using the remaining estimated average useful lives of each class of asset. A change in the remaining estimated average useful lives of each class of property, plant and equipment would change depreciation expense. Using estimated average useful lives, an increase of one year in the remaining estimated average useful lives would decrease depreciation expense by $51 million in the year ended December 31, 2011. A decrease of one year would increase depreciation expense by $88 million in the year ended December 31, 2011.

(d) Reflects the impact of the preliminary fair value adjustment to identifiable intangible assets.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a preliminary basis the following significant identifiable intangible assets and assessed their preliminary fair values and estimated useful lives as follows:

Trade name

The Graham Packaging trade name has been valued as a business to business trade name with an indefinite life.

Customer relationships

Graham Packaging s operations are characterized by contractual arrangements with customers for the supply of finished packaging products. The separately identifiable intangible asset reflects the estimated value that is attributable to the existing contractual arrangement and the value that is expected from the on-going relationship beyond the existing contractual period.

Technology

Graham Packaging s operation includes certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials.

Type of Identifiable Intangible Assets	**Preliminary Fair Values (In $ millions)**	**Estimated Useful life**
Trade names	$ 250	Indefinite
Customer relationships	1,574	18-22 years
Technology	547	10-15 years
Land use right	3	43 years
Preliminary fair value of identifiable intangible assets	2,374	
Less existing intangible assets (excluding goodwill) after U.S. GAAP to IFRS adjustment	(210)	
Adjustment to identifiable intangible assets	**$ 2,164**	

The table below illustrates the effect of a 10% increase or decrease to the preliminary fair values of the acquired identifiable intangible assets on the pro forma financial statements. Such increases or decreases would result in a corresponding but equal change in the preliminary value of goodwill.

	(In $ millions)
Estimated preliminary fair values	$ 2,374
Effect of a 10% increase in identifiable intangible assets	2,612
Effect of a 10% decrease in identifiable intangible assets	2,137

An increase or decrease of 10% to the preliminary fair values of the acquired identifiable intangible assets would result in a corresponding increase or decrease in amortization expense of $11 million for the year ended December 31, 2011.

As a result of the preliminary assessment of the identifiable intangible assets, the estimated weighted useful life is 20 years.

For the purpose of the pro forma income statement, amortization has been calculated based on the estimated average useful lives of the finite life intangible assets recognized on acquisition. A change in the remaining estimated average useful lives of each class of intangible asset would change amortization expense. Using estimated average useful lives, an increase of one year in the remaining estimated average useful lives would decrease amortization expense by $6 million in the year ended December 31, 2011. A decrease of one year would increase amortization expense by $7 million in the year ended December 31, 2011.

Graham Packaging s historical depreciation and amortization expense has been adjusted in the pro forma income statement based on preliminary estimated fair values of $1,401 million associated with property, plant and equipment, of which $1,273 million are depreciable over their estimated useful lives, and $2,374 million associated with identifiable intangible assets, of which $2,124 million are amortizable over their respective estimated useful lives. To recognize the transaction as if it had been completed as of

January 1, 2011, depreciation and amortization expense would increase in the pro forma combined income statement for the year ended December 31, 2011, as follows:

	For the Year Ended December 31, 2011 (In $ millions)
Amortization of intangible assets (excluding goodwill)	$ (57)
Depreciation of property, plant and equipment	(54)
Total	**$ (111)**
Recognized in:	
Cost of sales	$ (75)
General and administration expenses	(36)
Total	**$ (111)**

(e) Represents the tax effect of the above preliminary fair value adjustments. This tax adjustment has been calculated using a statutory tax rate of 36%.

(f) The preliminary estimated fair values for the assets, liabilities and contingent liabilities recognized in the historical RGHL Group balance sheet as of December 31, 2011 as a result of the Graham Packaging Acquisition are listed below and have been determined on a provisional basis, pending completion of independent valuations and management s further assessment and review .

	Preliminary Values on Acquisition (In $ millions)
Cash and cash equivalents	$ 146
Trade and other receivables	338
Inventories	300
Current tax assets	4
Assets held for sale	7
Investments in associates and joint ventures	1
Deferred tax assets	8
Property, plant and equipment	1,401
Intangible assets (excluding goodwill)	2,374
Goodwill on acquisition	1,565
Derivative assets	9
Other current and non-current assets	19
Trade and other payables	(693)

Current tax liabilities		(43)
Borrowings		(2,852)
Deferred tax liabilities		(588)
Provisions and employee benefits		(199)
Net assets acquired	**$**	**1,797**

(7) Pro Forma RGHL Combined Group

Represents the historical RGHL Group adjusted for the full period impact of the 2011 Refinancing Transactions and the financing component of the Graham Packaging Transaction (as described in note 2 above), the Dopaco Acquisition (as described in notes 3 and 4 above) and the Graham Packaging Transaction (as described in notes 5 and 6 above).

(8) The 2012 Refinancing Transactions

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

	(In $ millions)	
Proceeds from the issuance of the February 2012 Notes[(i)]	$	1,250
Redemption and discharge of the Graham Packaging 2017 Notes[(ii)]		(17)
Redemption and discharge of the Graham Packaging 2018 Notes[(ii)]		(23)
Redemption and discharge of the Graham Packaging Senior Subordinated Notes[(ii)]		(363)
Redemption and discharge of the Pactiv 2012 Notes[(ii)]		(255)
Payment of the estimated fees and expenses associated with the issuance of the February 2012 Notes[(iii)]		(37)
Net adjustment to cash	**$**	**555**

(i) Represents the gross proceeds from the issuance of the February 2012 Notes in aggregate principal amount of $1,250 million.

(ii) Represents the redemption and discharge of the remaining balance of the Graham Packaging Notes and the redemption and discharge of the Pactiv 2012 Notes (including $21 million of fees associated with the early repayment).

(iii) Represents the estimated $37 million of fees and expenses associated with the issuance of the February 2012 Notes.

(b) Represents the portion of the embedded derivative asset extinguished in connection with the redemption and discharge of the remaining balance of the Graham Packaging 2014 Notes.

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

	(In $ millions)	
Redemption and discharge of the Pactiv 2012 Notes[(i)]	$	(249)
Write-off of unamortized fair value adjustments and embedded derivatives[(ii)]		(4)
Adjustment to amortization on the Senior Secured Credit Facilities[(iii)]		(200)
Net adjustment to current borrowings	**$**	**(453)**

(i) Represents the redemption and discharge of the Pactiv 2012 Notes.

(ii) Represents the write-off of the remaining balance of the unamortized fair value adjustments and embedded derivatives associated with the redemption and discharge of the Pactiv 2012 Notes.

(iii) Represents the transfer to non-current borrowings of the incremental annual amortization payment currently required under the Senior Secured Credit Facilities. This incremental annual amortization is no longer required as a result of Graham Holdings and certain of its subsidiaries become guarantors under the Senior Secured Credit Facilities.

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

		(In $ millions)
Proceeds from the issuance of the February 2012 Notes(i)	$	1,250
Estimated fees and expenses associated with the issuance of the February 2012 Notes(ii)		(37)
Net adjustment to non-current borrowings from the issuance of the February 2012 Notes		1,213
Redemption and discharge of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes and the Graham Packaging Senior Subordinated Notes(iii)		(388)
Write-off of unamortized fair value adjustments and embedded derivatives(iv)		(12)
Adjustment to amortization on the Senior Secured Credit Facilities(v)		200
Net adjustment to non-current borrowings	**$**	**1,013**

(i) Represents the gross proceeds from the February 2012 Notes in aggregate principal amount of $1,250 million.

(ii) Represents the payment of an estimated $37 million of fees and expenses associated with the issuance of the February 2012 Notes.

(iii) Represents the redemption and discharge of the remaining balance of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes and the Graham Packaging Senior Subordinated Notes.

(iv) Represents the write-off of the remaining balance of the unamortized fair value adjustment and embedded derivative associated with the repayment of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes and the Graham Packaging Senior Subordinated Notes.

(v) Represents the transfer from current borrowings of the incremental annual amortization payment required under the Senior Secured Credit Facilities. This incremental annual amortization is no longer required as a result of Graham Holdings and certain of its subsidiaries becoming guarantors under the Senior Secured Credit Facilities.

(e) Represents the adjustment to retained earnings, comprising:

		For the Year Ended December 31, 2011
Write-off of the unamortized fair value adjustments and embedded derivative, net of tax(i)	$	9
Fees associated with the redemption and discharge of the remaining balance of the Graham Packaging Notes and the Pactiv 2012 Notes, net of tax(ii)		(14)
Adjustment to retained earnings	**$**	**(5)**

(i) Represents the write-off of the remaining balance of the unamortized fair value adjustments and embedded derivatives associated with the repayment of the remaining balance of the Graham Packaging Notes and the Pactiv 2012 Notes, net of tax.

(ii) Represents the fees associated with the redemption and discharge of the remaining balance of the Graham Packaging Notes and the Pactiv 2012 Notes, net of tax.

(f) Represents the net adjustment to net financial expenses as if the 2012 Refinancing Transactions had been completed as of January 1, 2011, comprising:

	For the Year Ended December 31, 2011 (In $ millions)	
Interest expense on the February 2012 Notes(i)	$	(124)
Amortization of the issuance costs related to the February 2012 Notes(ii)		(3)
Net adjustment to financial expenses from the issuance of the February 2012 Notes		**(127)**
Adjustment for interest expense on the remaining balance of the Graham Packaging 2017 Notes(iii)		4
Adjustment for interest expense on the remaining balance of the Graham Packaging 2018 Notes(iii)		4
Adjustment for interest expense on the Graham Packaging Senior Subordinated Notes(iii)		28
Adjustment for interest expense on the Pactiv 2012 Notes(iii)		15
Adjustment for the amortization of the issuance costs, original issue discounts, fair value adjustments and embedded derivatives on the remaining balance of the Graham Packaging 2017 Notes, the Graham Packaging 2018 Notes, the Graham Packaging Senior Subordinated Notes and the Pactiv 2012 Notes(iii)		(16)
Net adjustment to financial expenses	**$**	**(92)**

(i) Reflects an interest rate of 9.875% on the principal amount of the February 2012 Notes of $1,250 million. Interest will be paid in dollars.

(ii) Reflects non-cash amortization expense of an estimated $37 million of debt issuance costs. This non-cash expense has been calculated using the effective interest rate method.

(iii) Reflects the adjustment to interest expense and non-cash amortization expense, with respect to the issuance costs, original issue discount/premium, fair value adjustments and embedded derivatives, associated with the remaining balance of the Graham Packaging Notes and the Pactiv 2012 Notes.

(g) Represents the net adjustment to income tax (expense) benefit as if the issuance of the February 2012 Notes had been completed as of January 1, 2011. The tax benefit has been calculated using a local statutory tax rate of approximately 37%.

(9) Pro Forma RGHL Combined Group Depreciation and Amortization

The pro forma income statement includes both cost of sales and general and administration expenses, and included in each of these line items are depreciation and amortization expense. The following table presents the calculation of the pro forma depreciation and amortization expense derived from the applicable accounting records for the respective time period:

	For the Year Ended December 31, 2011 (In $ millions)
RGHL Group	$ 972
Dopaco	8
Graham Packaging	254
Total for the period	**$ 1,234**

(10) Pro Forma RGHL Combined Group Borrowings

The following table identifies as of December 31, 2011 on a pro forma basis following the consummation of the 2012 Refinancing Transactions, the components of our current and non-current borrowings, net of the respective unamortized issuance costs and original issue discounts:

		(In $ millions)
February 2012 Notes(i)	$	1,213
August 2011 Senior Secured Notes(ii)		1,468
August 2011 Senior Notes(iii)		972
February 2011 Senior Secured Notes(iv)		999
February 2011 Senior Notes(v)		993
October 2010 Senior Secured Notes(vi)		1,473
October 2010 Senior Notes(vii)		1,466
May 2010 Notes(viii)		980
2009 Notes(ix)		1,642
Senior Secured Credit Facilities(x)		4,490
2007 Senior Notes(xi)		606
2007 Senior Subordinated Notes(xii)		530
Existing Pactiv Indebtedness(xiii)		797
New related party loan with Reynolds Treasury (NZ) Limited(xiv)		23
Finance lease obligations		28
Other borrowings		26
Total borrowings	**$**	**17,706**
Fixed rate borrowings	$	13,164
Variable rate borrowings		4,542
Total borrowings	**$**	**17,706**
Current borrowings	$	68
Non-current borrowings		17,638
Total borrowings	**$**	**17,706**

(i) Reflects the proceeds from the aggregate principal amount of $1,250 million of February 2012 Notes, net of $37 million of debt issuance costs.

(ii) Reflects the proceeds from the aggregate principal amount of $1,500 million of August 2011 Senior Secured Notes, net of $11 million of original issue discount, $33 million of debt issuance costs, plus $12 million of embedded derivatives.

(iii) Reflects the proceeds from the aggregate principal amount of $1,000 million of August 2011 Senior Notes, net of $7 million of original issue discount, $27 million of debt issuance costs, plus $6 million of embedded derivatives.

(iv) Reflects the proceeds from the aggregate principal amount of $1,000 million of February 2011 Senior Secured Notes, net of $15 million of unamortized debt issuance costs, plus $14 million of embedded derivatives.

(v) Reflects the proceeds from the aggregate principal amount of $1,000 million of February 2011 Senior Notes, net of $17 million of unamortized debt issuance costs, plus $10 million of embedded derivatives.

(vi) Reflects the proceeds from the aggregate principal amount of $1,500 million of October 2010 Senior Secured Notes, net of $35 million of unamortized debt issuance costs, plus $8 million of embedded derivatives.

(vii) Reflects the proceeds from the aggregate principal amount of $1,500 million of October 2010 Senior Notes, net of $43 million of unamortized debt issuance costs, plus $9 million of embedded derivatives.

As a portion of the dollar denominated October 2010 Senior Notes were issued by the Lux issuer, which uses the euro as its functional currency, a portion of the proceeds of these notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December, 31, 2011 would have decreased financial expenses by $57 million, whereas a 5% weakening of the euro against the dollar would have increased financial expenses by $41 million. On translation of the euro functional currency results of the Lux issuer to the RGHL Group s reporting currency, these changes would have an equal but offsetting effect on the foreign currency translation reserve, which is a component of equity.

(viii) Reflects the proceeds from the aggregate principal amount of $1,000 million of May 2010 Notes, net of $28 million of unamortized debt issuance costs, plus $8 million of embedded derivatives. As a portion of the May 2010 Notes were issued by the Lux Issuer, which uses the euro as its functional currency, a portion of the proceeds of these notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December 31, 2011 would have decreased financial expenses by $38 million, whereas a 5% weakening of the euro against the dollar would have an increased financial expenses by $27 million. On translation of the euro functional currency results of the Lux issuer to the RGHL Group s reporting currency, these changes would have an equal but offsetting effect on the foreign currency translation reserve, which is a component of equity.

(ix) Reflects the proceeds from the aggregate principal amounts of $1,125 million and 450 million of 2009 Notes, net of $17 million of original issue discount and $59 million of unamortized debt issuance costs, plus $11 million of embedded derivatives. As a portion of the dollar denominated 2009 Notes were issued by the Lux Issuer, which uses the euro as its functional currency, a portion of the proceeds of these notes are exposed to changes in foreign exchange rates. A 5% strengthening of the euro against the dollar at December 31, 2011 would have decreased financial expenses by $25 million, whereas a 5% weakening of the euro against the dollar would have an increased financial expenses by $28 million. On translation of the euro functional currency results of Lux issuer to the RGHL Group s reporting currency, these changes would have an equal but offsetting effect on the foreign currency translation reserve, which is a component of equity. With reference to the euro denominated 2009 Notes, a 5% strengthening of the euro against the dollar at December 31, 2011 would have decreased the foreign currency translation reserve, which is a component of equity, by $29 million, whereas a 5% weakening of the euro against the dollar would have an equal but opposite effect.

(x) Reflects the balances outstanding under the Senior Secured Credit Facilities, net of $65 million of unamortized debt issuance costs and $19 million of original issue discount. Each 0.125% increase in the assumed interest rates used in the pro forma income statement would increase the incremental interest expense on the Dollar Tranche of the Senior Secured Credit Facilities by $5 million in the year ended December 31, 2011. Each 0.125% increase in the assumed interest rates used in the pro forma income statement would increase the incremental interest expense on the Euro Tranche of the Senior Secured Credit Facilities by less than $1 million in the year ended December 31, 2011. As the interest rate assumed for the purposes of the pro forma financial information is at the LIBOR floor, a 0.125% decrease in the assumed interest rates used in the pro forma income statement would not change interest expense on the term loans under the Dollar Tranche of the Senior Secured Credit Facilities or the Euro Tranche of the Senior Secured Credit Facilities. As a portion of indebtedness under the Senior Secured Credit Facilities has been drawn in the euro by entities with the euro as their functional currency a 5% strengthening of the euro against the dollar at December 31, 2011 would have decreased the foreign currency translation reserve, which is a component of equity, by $16 million, whereas a 5% weakening of the euro against the dollar would have an equal but opposite effect.

(xi) Reflects the proceeds from the aggregate principal amount of 480.0 million of 2007 Senior Notes, net of $15 million of unamortized debt issuance costs. As the 2007 Senior Notes have been issued as euro denominated notes by entities with the euro as their functional currency, a 5% strengthening of the euro against the dollar at

December 31, 2011 would have decreased the foreign currency translation reserve, which is a component of equity, by $31 million, whereas a 5% weakening of the euro against the dollar would have the opposite effect.

(xii) Reflects the proceeds from the aggregate principal amount of 420.0 million of 2007 Senior Subordinated Notes, net of $14 million of unamortized debt issuance costs. As the 2007 Senior Subordinated Notes have been issued as euro denominated notes by entities with the euro as their functional currency, a 5% strengthening of the dollar against the euro at December 31, 2011 would have decreased the foreign currency translation reserve, which is a component of equity, by $27 million, whereas a 5% weakening of the dollar against the euro would have the opposite effect.

(xiii) Reflects the notes as previously issued by Pactiv and the remaining balance outstanding at December 31, 2011 after giving pro forma effect to the redemption and discharge of the Pactiv 2012 Notes.

(xiv) Reflects the related party loan issued by Reynolds Treasury (NZ) Limited.

Our total pro forma third-party indebtedness of $17,725 million includes (a)(i) total interest bearing borrowings of $18,065 million, (ii) derivative liabilities of $16 million, (iii) bank overdrafts of $3 million, for a total of $18,084 million of outstanding indebtedness, (b) offset by debt issuance costs and original issue discounts of $442 million, (c) plus embedded derivative assets of $78 million and (d) plus preliminary fair value adjustments of $5 million.

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OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our historical financial statements covers certain periods before the consummation of the Graham Packaging Transaction on September 8, 2011 and does not reflect the results generated by Graham Company or the impact that the Graham Packaging Transaction may have on the RGHL Group for those periods. The following discussion should be read in conjunction with Business Description of Business and our historical financial statements and the notes thereto, in each case included elsewhere in this prospectus. The following discussion and analysis also includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements with respect to us. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus. See Special Note of Caution Regarding Forward-Looking Statements and Risk Factors.

Overview

RGHL was incorporated in New Zealand under the Companies Act 1993 on May 30, 2006. We are a leading global manufacturer and supplier of consumer food and beverage packaging and storage products. We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging. We acquired these businesses in a series of transactions.

Recent Acquisitions and Integration

The Graham Packaging Acquisition

On September 8, 2011, we acquired Graham Company for a total enterprise value, including net debt, of $4.5 billion. We financed the purchase of shares, the repayment at acquisition of certain of Graham Packaging s indebtedness and associated transaction costs, with new indebtedness. Graham Packaging is reported as a separate segment within the RGHL Group.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the hot food, specialty beverage and consumer products markets. The Graham Packaging Acquisition brought together two strong packaging platforms. We expect to realize significant cost savings by optimizing procurement of certain raw materials, consolidating facilities, eliminating duplicative operations and overhead, improving supply chain management and achieving other efficiencies. Once we fully integrate Graham Packaging, we expect to generate annual operational synergies and cost savings of approximately $75 million by the end of 2013, of which we have achieved approximately $7 million through December 31, 2011. In order to achieve these synergies and cost savings, we expect to incur cash outlays of approximately $75 million by the end of 2013, of which we have incurred $3 million through December 31, 2011. Expenses incurred under our integration program generally will include severance, exit, disposal, and other costs.

For details of provisional assets acquired and liabilities assumed in the Graham Packaging Acquisition, refer to note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011.

The Dopaco Acquisition

On May 2, 2011, we acquired Dopaco from Cascades Inc. Dopaco is a manufacturer of paper cups and folding cartons for the quick-service restaurant and foodservice industries in the United States and Canada. The purchase consideration for the acquisition was $395 million in cash. The consideration was funded from the existing cash of the RGHL Group. Dopaco s product lines complement and enhance our existing product lines, allowing us to offer a broader product range and develop additional customer relationships. Dopaco s business is being integrated into the Pactiv Foodservice segment. Once we fully integrate the businesses, we expect to generate annual operational synergies and cost savings of approximately $30 million by the end of 2012, of which we have achieved approximately $9 million through December 31, 2011. In order to achieve these synergies and cost savings, we expect to incur cash outlays of approximately $40 million by the end of 2012, of which we have incurred $6 million through December 31, 2011. Expenses incurred under our integration program generally include severance and other costs.

Pactiv Acquisition

On November 16, 2010, we acquired Pactiv for a total enterprise value, including net debt, of $5.8 billion.

The Pactiv Acquisition brought together two strong consumer and foodservice packaging platforms, increased our product, geographic and customer diversification and created an extensive and diverse distribution network. We believe our products are complementary, providing us with opportunities to generate incremental revenue through cross-selling and category expansion. We have substantially completed the process of combining our Reynolds consumer products and Reynolds foodservice packaging businesses with our Hefty consumer products and Pactiv foodservice packaging businesses, respectively, to form integrated Reynolds Consumer Products and Pactiv Foodservice segments. We expect to generate annual operational synergies and cost savings of approximately $225 million by the end of 2012 from the consolidation of facilities, elimination of duplicative operations, improvement of supply chain management and from achieving other efficiencies, of which we have achieved approximately $140 million through December 31, 2011. For example, from the date of the Pactiv Acquisition to the date of this prospectus, we have announced the closure of seven manufacturing sites in North America. In order to achieve these synergies and cost savings, we incurred expenses of approximately $122 million through December 31, 2011. Expenses incurred under our integration program generally include severance, exit, disposal and other costs associated with combining the consumer and foodservice packaging platforms. We believe that our efforts to achieve these objectives have yielded satisfactory results to date.

The valuation of the assets acquired and liabilities assumed in connection with the Pactiv Acquisition has been finalized. In accordance with IFRS 3 (Revised), Business Combinations, all adjustments resulting from the finalization of the purchase accounting have been recognized retrospectively as of the date of the acquisition. For details of assets acquired and liabilities assumed, refer to note 33 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

Key Factors Influencing Our Financial Condition and Results of Operations

Acquisitions, Substantial Leverage and Other Transaction-Related Effects

The six segments in which we operate have all been acquired through a series of transactions.

Our results of operations, financial position and cash flows are significantly impacted by the effects of these acquisitions which were financed primarily through borrowings, including transaction-related debt commitment fees and recurring interest costs. In addition, from time to time, we refinance our borrowings which also can have a significant impact on our results of operations.

As of December 31, 2011, we had total borrowings of $17,146 million ($11,842 million as of December 31, 2010). For more information regarding our external borrowings, refer to note 25 of the RGHL Group s audited financial statements as of December 31, 2011, included elsewhere in this prospectus. Our future results of operations, including our net financial expenses, will be significantly affected by our substantial indebtedness. The servicing of this indebtedness has had and will continue to have an impact on our cash flows and cash balance. For more information, refer to Liquidity and Capital Resources.

Restructuring and Cost Saving Programs

We have completed a number of restructuring and cost saving programs over the past three years in order to reduce our operating costs. During the year ended December 31, 2011, we incurred restructuring charges of $88 million business integration costs of $47 million and operational process engineering-related consultancy costs of $42 million. These costs are largely related to workforce reductions, improving supply chain management, achieving other efficiencies and consolidating facilities at our Reynolds Consumer Products and Pactiv Foodservice segments.

As discussed under Overview Recent Acquisitions and Integration , we expect to incur additional restructuring costs as well as integration costs through the end of 2013 that will largely relate to the integration of Graham Packaging into the RGHL Group and the integration of the Dopaco business into the Pactiv Foodservice segment. Outlays related to integration include both expenses and capital expenditures associated with combining the new acquisitions with the RGHL Group s operations and generally include severance, exit, disposal and other costs associated with combining the businesses. We expect to realize cost savings and operational synergies by the end of 2013 by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies. For additional information related to the quantification of the synergies to be achieved and cash outlays, refer to Overview Recent Acquisitions and Integration.

Raw Materials and Energy Prices

Our results of operations are impacted by changes in the costs of our raw materials. The primary raw materials used to manufacture our products are resins, aluminum, fiber (principally raw wood and wood chips) and paperboard (principally cartonboard and cupstock). We also use commodity chemicals, steel and energy, including fuel oil, electricity, natural gas and coal, to manufacture our products. The prices for raw materials, particularly resins and aluminum, have fluctuated significantly in recent years.

Principal raw materials by segment are as follows (in order of cost significance):

SIG cartonboard, resin, aluminum;

Evergreen fiber, resin;

Closures resin;

Reynolds Consumer Products resin, aluminum;

Pactiv Foodservice resin, aluminum, paperboard; and

Graham Packaging resin.

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Historical index prices of resin, aluminum and paperboard from January 1, 2008 through December 31, 2011 are shown in the charts below. The following charts present index prices and do not represent the prices at which we purchased these raw materials.

Source: Chemical Market Associates Inc.

Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products.

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Source: Platts Metal Weekly

Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions.

The prices of cupstock and cartonboard may fluctuate widely due to external conditions such as weather, product scarcity, currency and commodity market fluctuations and changes in governmental policies and regulations.

Purchases of most of our raw materials are based on negotiated rates with suppliers, which are tied to published indices. Typically, we do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials. However, our significant purchasing power enables us to optimize the prices we pay for our raw materials.

Changes in raw material prices impact our results of operations. Revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by each of our segments other than SIG and branded products sold by our Reynolds Consumer Products segment. Generally, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Historically, the average lag time in implementing raw material cost pass-through mechanisms (where contractually permitted) has been approximately three months.

The prices for some of our raw materials, particularly resins and aluminum, have fluctuated significantly in recent years. Prices for raw wood and wood chips have fluctuated less than the prices of resins and aluminum. Raw wood and wood chips are typically purchased from sources close to our mills and, as a result, prices are established based on local conditions, including weather conditions and local competitive conditions.

Volatility in resin, aluminum and paper prices has had an effect on our results of operations. Historically, raw material price increases have resulted in increases in cost of sales and any subsequent pass-through to customers has resulted in increases in revenue. Raw material cost decreases and any subsequent pass-through to customers have historically had an opposite effect on cost of sales and revenue.

Contracts for SIG and for branded products sold by Reynolds Consumer Products generally do not contain raw material cost pass-through mechanisms. We use price increases, where possible, to mitigate the effects of raw material costs increases for customers that are not subject to raw material cost pass-through agreements.

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Management expects continued volatility in raw material prices as a result of the continued uncertainty in the global economic environment, and such volatility may impact our results of operations. We continue to take steps to minimize the impact of the volatility of raw material prices through commodity hedging, fixed supplier pricing, reducing the lag time in contractual raw material cost pass-through mechanisms and entering into additional indexed customer contracts that include raw material cost pass-through provisions.

Our segments are also sensitive to energy-related cost movements, particularly those that affect transportation and utility costs. In particular, our Evergreen segment is susceptible to price fluctuations in natural gas, as it incurs significant natural gas costs to convert raw wood and wood chips to paper products and liquid packaging board. Historically, we have been able to mitigate the effect of higher energy-related costs with productivity improvements and other cost reductions.

Hedging Activities

Our business is exposed to commodity and other price risk principally from the purchase of resin, aluminum, natural gas, electricity and cartonboard. From time to time we enter into hedging agreements for some of our raw materials and energy sources to minimize the impact of price fluctuations. We use various strategies to manage cost exposures on certain raw material purchases with the objective of obtaining more predictable costs for these commodities. We generally enter into commodity financial instruments or derivatives to hedge commodity prices primarily related to aluminum, resin and natural gas, including resin futures, aluminum swaps and natural gas swaps.

We may selectively enter into hedges for short contract periods at the request of customers who want to mitigate the risk of changes in raw material costs in their purchase pricing.

The realized gains or losses arising from derivative instruments are recognized in cost of sales while the unrealized gains or losses associated with derivative instruments are recognized in other income/expenses.

While we currently employ the hedging strategy discussed above, we may decide to increase or decrease our level of hedging depending on management s assessment of current market conditions.

Black Liquor Credit and Cellulosic Biofuel Producer Credits

Black Liquor Credit was an excise tax credit that benefited companies that used alternative fuel mixtures for energy production to operate their businesses in the United States. Black Liquor Credit, equal to $0.50 per gallon of alternative fuel contained in the applicable mixture, was refundable to the taxpayer. For the year ended December 31, 2009, Evergreen filed claims for alternative fuel mixture credits at its Canton and Pine Bluff mills covering eligible periods from January 2009 to December 2009, totaling $235 million. As a result of these claims, for the year ended December 31, 2009, Evergreen recognized a reduction of $214 million in its cost of sales, which equated to the claim value net of applicable expenses. The tax credit, as it related to alternative fuel mixtures, expired on December 31, 2009.

During 2010, the Internal Revenue Service issued an IRS General Counsel Memo which further clarified how to determine the volume of alternative fuel mixture used in the production process that qualified for the tax credit. Based on these clarifications and related studies commissioned by management, Evergreen determined that an additional claim was available related to the volume of Black Liquor used during 2009. As a result of these claims, for the year ended December 31, 2010, Evergreen recognized a reduction of $10 million in its cost of sales, which equates to the claim value net of applicable expenses.

On July 9, 2010, the IRS published Chief Counsel Advice Memorandum 2010-002, concluding that Black Liquor sold or used before January 1, 2010 qualifies for the Cellulosic Biofuel Producer Credits, or CBPC. In October 2010, the IRS provided additional guidance on the qualification of CBPC. The CBPC is separate from the Black Liquor Credit recognized by Evergreen in 2009 and 2010. The CBPC allows for a tax credit equal to $1.01 for each gallon of qualified biofuel produced and used by Evergreen and not claimed as a Black Liquor Credit. Based upon this guidance, it was determined that Evergreen qualified for the CBPC in regards to Black Liquor Credit produced in 2009 that was not included in the calculation of the original Black Liquor Credit. Evergreen recorded a $29 million CBPC credit to income tax expense in 2010.

The benefits of the Black Liquor Credit were recognized in the results of operations for the years ended December 31, 2010 and 2009. The results for the year ended December 31, 2011 are not impacted by the Black Liquor Credit and based on our knowledge at this time, we do not expect any benefit in future periods.

Effect of Currency Fluctuations

Our segments operate in a number of geographical areas and transact business in a range of currencies. As a result, these segments are affected more by currency fluctuations than our Evergreen and Reynolds Consumer Products segments, which predominantly operate in North America. In addition to the dollar, the currencies in which our transactions are primarily denominated include the euro, Swiss franc, Canadian dollar, Thai baht, Chinese yuan renminbi, Brazilian real, British pound, Japanese yen, Mexican peso, Polish zloty and New Zealand dollar. Exchange rate fluctuations can therefore either increase or decrease revenue and expense items when reported in dollars. For most financial periods, the impact on revenue due to fluctuations in exchange rates has been partially offset by the impact on expenses, as most of our business units incur revenue and expenses in their respective local currencies, creating a natural hedge to currency fluctuations.

Seasonality and Working Capital Fluctuations

Our business is impacted by seasonal fluctuations.

SIG

SIG s operations are moderately seasonal. SIG s customers are principally engaged in providing products such as beverages and food that are generally less sensitive to seasonal effects, although SIG experiences some seasonality as a result of increased consumption of juices and tea during the summer months in Europe. SIG 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 SIG offers.

Evergreen

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

Closures

Closures operations are moderately seasonal. Closures 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, Closures customers typically begin building inventories in advance of the summer season. Therefore, Closures typically experiences a greater level of closure sales in the second and third quarters in the Northern Hemisphere, which represented 83% of Closures total revenue in 2011, and in the fourth and first quarters in the Southern Hemisphere, which represented 17% of Closures total revenue in 2011.

Reynolds Consumer Products

Reynolds Consumer Products operations are moderately seasonal based on the different 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.

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Pactiv Foodservice

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

Graham Packaging

Graham Packaging s operations are slightly seasonal with higher levels of unit volume sales in the second and third quarters. Graham Packaging experiences some seasonality of bottled beverages during the summer months, most significantly in North America. Typically the business begins to build inventory in the first and early second quarters to prepare for the summer demand.

Results of Operations

The following discussion should be read in conjunction with our financial statements included elsewhere in this prospectus. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow the RGHL Group results discussion.

Year Ended December 31, 2011 Compared with the Year Ended December 31, 2010

Reynolds Group Holdings Limited

	For the Year Ended December 31,					
	2011(1)	% of Revenue	2010(2)	% of Revenue	Change	% Change
	(in $ million, except for %)					
Revenue	**11,789**	**100%**	**6,774**	**100%**	**5,015**	**74%**
Cost of sales	(9,725)	(82)%	(5,524)	(82)%	(4,201)	76%
Gross profit	**2,064**	**18%**	**1,250**	**18%**	**814**	**65%**
Selling, marketing and distribution expense/General and administration expense	(975)	(8)%	(623)	(9)%	(352)	57%
Net other income (expenses)	(181)	(2)%	22	%	(203)	NM
Share of profit of associates and joint ventures, net of income tax	17	%	18	%	(1)	(6)%
Profit from operating activities	**925**	**8%**	**667**	**10%**	**258**	**39%**
Financial income	22	%	66	1%	(44)	(67)%
Financial expenses	(1,420)	(12)%	(752)	(11)%	(668)	89%
Net financial expenses	**(1,398)**	**(12)%**	**(686)**	**(10)%**	**(712)**	**104%**
Loss before income tax	**(473)**	**(4)%**	**(19)**	**%**	**(454)**	**NM**
Income tax benefit (expense)	56	%	(78)	(1)%	134	NM

Loss after income tax	**(417)**	**(4)%**	**(97)**	**(1)%**	**(320)**	**330%**
Depreciation and amortization	972	8%	504	7%	468	93%
RGHL Group EBITDA(3)	1,897	16%	1,171	17%	726	62%
RGHL Group Adjusted EBITDA(3)	2,124	18%	1,251	18%	873	70%

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty

consumer products and Pactiv foodservice packaging businesses, respectively, for the full year ended December 31, 2011.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010. The results of Graham Packaging and Dopaco are not included as those businesses were acquired on September 8, 2011 and May 2, 2011, respectively.

(3) RGHL Group EBITDA is defined as profit from operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow for management s discretionary use, as they do not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA and Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

As more fully described under Overview Recent Acquisitions and Integration, we acquired Graham Packaging on September 8, 2011. The results of operations of Graham Packaging have been included in the RGHL Group s results of operations as a separate segment since the consummation of the Graham Packaging Acquisition. For the year ended December 31, 2011, Graham Packaging s revenue, loss from operating activities, EBITDA and Adjusted EBITDA included as a separate segment in the RGHL Group s results were $967 million, $24 million, $105 million and $156 million, respectively.

We acquired Pactiv on November 16, 2010. The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of our Reynolds Consumer Products and Pactiv Foodservice segments, respectively, since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within each related segment, other than revenue, we are unable to quantify the results of the acquired businesses on a stand-alone basis for the year ended December 31, 2011. However, we have in a number of instances provided Pactiv s results for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on our results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, Pactiv s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted

EBITDA were $3,198 million, $2,464 million, $421 million, $285 million, $455 million and $567 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. In addition, the operating results of Dopaco have been combined with the operating results of our Pactiv

Foodservice segment since May 2, 2011, the date of the Dopaco Acquisition. For the period from May 2, 2011 to December 31, 2011, Dopaco s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA included in the results of the Pactiv Foodservice segment were $331 million, $300 million, $9 million, $10 million, $28 million and $45 million, respectively. For further details on the RGHL Group s acquisitions, refer to note 33 of the RGHL Group s audited financial statements included elsewhere in this prospectus.

Revenue. Revenue increased by $5,015 million, or 74%, to $11,789 million for the year ended December 31, 2011 compared to $6,774 million for the year ended December 31, 2010. The increase was largely attributable to incremental revenue generated from the operations of Graham Packaging and Dopaco which were acquired in 2011 and the benefit from the full year results of operations from the acquisition of Pactiv as discussed above. In addition, revenue increased at (a) SIG driven by increased sales in China, Brazil, South Asia and the Middle East, (b) Evergreen driven by increased sales in liquid packaging board and cartons that were partially offset by a decrease in sales of paper products, (c) Closures driven by market growth in North America, China and Japan, (d) Reynolds Consumer Products driven by price increases partially offset by volume declines in tableware and cooking product lines due to lower market demand and (e) Pactiv Foodservice driven by the impact from improved pricing primarily due to the flow-through of resin purchase price increases. Foreign exchange rates had a favorable impact of $128 million largely resulting from the strengthening of the Euro, Japanese yen, Mexican peso and Brazilian real against the dollar.

Cost of Sales. Cost of sales increased by $4,201 million, or 76%, to $9,725 million for the year ended December 31, 2011 compared to $5,524 million for the year ended December 31, 2010. The increase in cost of sales was largely attributable to the acquired operations of Pactiv, Dopaco and Graham Packaging noted above as well as higher raw material costs. The increases were offset by benefits from actual synergies realized and improved operational performance and a net positive impact of $30 million resulting from the difference in the fair value adjustment of inventories acquired in 2011 compared to 2010. Cost of sales as a percentage of revenue remained relatively flat at 82%. There was an increase in cost of sales as a percentage of revenue at SIG which was more than offset by a decrease in cost of sales as a percentage of revenue at Evergreen and at Pactiv Foodservice. Cost of sales as a percentage of the respective segment revenue at Closures and Reynolds Consumer Products were relatively flat compared to the prior year.

Gross Profit. Gross profit increased by $814 million, or 65% to $2,064 million for the year ended December 31, 2011 compared to $1,250 million for the year ended December 31, 2010. However, gross profit margin remained flat at 18% for the year ended December 31, 2011 compared to the year ended December 31, 2010. Increases in raw material costs across all segments and higher depreciation expense resulting from the Pactiv, Graham Packaging and Dopaco acquisitions were offset by benefits from actual synergies realized and improved operational performance as well as the time lag in the pass-through of raw material costs to the customers. Compared to the prior year, gross profit margin declined at SIG and increased at both Evergreen and Pactiv Foodservice. Gross profit margin at both Closures and Reynolds Consumer Products remained unchanged compared to the prior year.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $352 million, or 57%, to $975 million for the year ended December 31, 2011 compared to $623 million for the year ended December 31, 2010. The increase in expenses was primarily attributable to the operations of Pactiv, Dopaco and Graham Packaging. There was an increase in selling, marketing and distribution expenses and general and administration expenses at SIG driven by expanding SIG s operations in China and Brazil which was more than offset by declines at Reynolds Consumer Products (excluding the acquisition impact) and Pactiv Foodservice (excluding the acquisition impact), reflecting benefits from actual synergies realized as part of the integration of the acquired Pactiv businesses into the RGHL Group. Selling, marketing and distribution expenses and general and administration expenses also reflect an increase of $37 million in pension income and a gain of $25 million recorded in 2011 from the modification of retiree medical plan benefits.

Other. Net other expense was $181 million for the year ended December 31, 2011 compared to net other income of $22 million for the year ended December 31, 2010. The change was primarily attributable to a $79 million increase in business restructuring costs related to severance, a $73 million increase in business acquisition and integration costs, a $34 million increase in consultancy costs for operational process engineering projects and an increase of $29 million in unrealized losses on open hedge positions for the year ended December 31, 2011 compared to unrealized gains for the year ended December 31, 2010. These increases in net other expenses were partially offset by a reduction of $16 million in asset impairment charges and a reduction of $7 million for a supply agreement termination charge.

Net Financial Expenses. Net financial expenses increased by $712 million, or 104%, to $1,398 million for the year ended December 31, 2011 compared to $686 million for the year ended December 31, 2010. The increase was largely related to an increase in interest expense of $609 million due to increases in the principal amount of the RGHL Group s fixed and floating rate borrowings of $4,843 million and $464 million, respectively, as of December 31, 2011 compared to December 31, 2010. Interest rate changes on the floating rate borrowings had no significant impact on net financial expenses for the year ended December 31, 2011. Our total borrowings (net of original issue discount, unamortized debt issuance costs and embedded derivatives) as of December 31, 2011 were $17,146 million compared to $11,842 million as of December 30, 2010. The increase in net financial expenses for the period also included a $64 million increase in the unrealized net loss from the change in fair values of derivatives and increases of $92 million and $36 million in the amortization of debt issuance costs and original issue discounts, respectively, primarily related to the write off of costs related to the Original Senior Secured Credit Facilities that were extinguished. These were partially offset by a $30 million decrease in fees associated with the RGHL Group s debt commitment letters and a $48 million decrease in foreign exchange loss resulting from borrowings denominated in currencies other than the functional currency of the borrowers or issuers.

We are primarily exposed to foreign exchange risk that impacts the reported financial income or financial expenses of the RGHL Group as a result of the remeasurement at each balance sheet date of indebtedness that is denominated in currencies other than the functional currencies of the respective issuers or borrowers. As of December 31, 2011 and 2010, the RGHL Group had dollar-denominated external borrowings of $1,583 million held by entities whose functional currency was the euro. As a result of the changes in the prevailing foreign exchange rates, the RGHL Group recognized a foreign exchange loss in connection with such borrowings during both of the years ended December 31, 2011 and 2010. For more information regarding the RGHL Group s financial expenses and borrowings, refer to notes 12 and 25, respectively, of the RGHL Group s audited financial statements, included elsewhere in this prospectus. For more information regarding the sensitivity of the foreign exchange gains and losses on the borrowings, refer to Qualitative and Quantitative Disclosure about Market Risk Foreign Currency Exchange Rate Risk.

Income Tax Expense. For the year ended December 31, 2011, we recognized an income tax benefit of $56 million on a loss before income tax of $473 million compared to an income tax expense of $78 million on a loss before income tax of $19 million for the year ended December 31, 2010. The effective tax rate of 12% for the year ended December 31, 2011 differs from the statutory New Zealand rate of 28% primarily due to the impact of non-deductible expenses and permanent differences. For a reconciliation of the effective tax rate, refer to note 13 of the RGHL Group s audited financial statements, included elsewhere in this prospectus.

Depreciation and Amortization. Depreciation of property, plant and equipment and investment properties and amortization of intangible assets increased by $468 million, or 93%, to $972 million for the year ended December 31, 2011 compared to $504 million for the year ended December 31, 2010, primarily due to additional depreciation and amortization expense from the Pactiv Acquisition, the Dopaco Acquisition and the Graham Packaging Acquisition.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $925 million, $1,897 million and $2,124 million, respectively, compared to $667 million, $1,171 million and $1,251 million, respectively, for the year ended December 31, 2010.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the RGHL Group is as follows:

	For the Year Ended December 31	
	2011(1)	2010(2)
	(In $ million)	
Profit from operating activities	**925**	**667**
Depreciation and amortization	972	504
EBITDA(3)	**1,897**	**1,171**
Included in the RGHL Group EBITDA:		
Adjustment related to settlement of a lease obligation		(2)
Asset impairment charges	12	28
Black Liquor Credit		(10)
Business acquisition and integration costs	85	12
Business interruption costs	2	2
Change in control payment	12	
CSI Americas gain on acquisition		(10)
Gain on modification of retiree medical plan benefits	(25)	
Equity method profit not distributed in cash	(10)	(14)
Gain on sale of businesses and investment properties	(5)	(16)
Impact of purchase price accounting on inventories and leases	32	63
Non-cash pension income	(42)	(5)
Non-cash inventory charge	3	
Operational process engineering-related consultancy costs	42	8
Related party management fees		1
Restructuring costs	88	9
SEC registration costs	6	
Termination of supply agreement		7
Unrealized (gain) loss on derivatives	26	(3)
VAT and custom duties on historical imports	1	10
RGHL Group Adjusted EBITDA(3)	**2,124**	**1,251**
Segment detail of Adjusted EBITDA:		
SIG	483	513
Evergreen	217	196
Closures	195	170
Reynolds Consumer Products	556	299
Pactiv Foodservice	549	81
Graham Packaging	156	
Corporate/unallocated	(32)	(8)
RGHL Group Adjusted EBITDA(3)	**2,124**	**1,251**

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty

consumer products and Pactiv foodservice packaging businesses, respectively, for the full year ended December 31, 2011.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010. The results of Graham Packaging and Dopaco are not included as those businesses were acquired on September 8, 2011 and May 2, 2011, respectively.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow for management s discretionary use, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

SIG Segment

	For the Year Ended December 31,					
	2011	% of Segment Revenue	2010	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Segment revenue	2,036	100%	1,846	100%	190	10%
Cost of sales	(1,597)	(78)%	(1,382)	(75)%	(215)	16%
Gross profit	439	22%	464	25%	(25)	(5)%
Selling, marketing and distribution expense/General and administration	(260)	(13)%	(235)	(13)%	(25)	11%

Net other income	26	1%	22	1%	4	18%
Profit from operating activities	220	11%	267	14%	(47)	(18)%
SIG segment EBITDA	480	24%	510	28%	(30)	(6)%
SIG segment Adjusted EBITDA	483	24%	513	28%	(30)	(6)%

Revenue. Revenue increased by $190 million, or 10%, to $2,036 million for the year ended December 31, 2011 compared to $1,846 million for the year ended December 31, 2010. As discussed in more detail below, the increase in revenue was attributable to higher sales volume of $178 million largely from sales in China, Brazil, South Asia and the Middle East, incremental revenue of $26 million generated from the operations of the Whakatane paper mill, which was acquired in May 2010, and a favorable foreign currency impact of $85 million largely due to the strengthening of the euro against the dollar. These increases were partially offset by $99 million of lower average sales prices from the growing market for smaller sleeve formats, particularly in China, increasing regional competition with the entry of new manufacturers in the aseptic packaging market and higher volume driven rebates.

Revenue in Europe increased by $52 million, or 5%, to $1,141 million for the year ended December 31, 2011 compared to $1,089 million for the year ended December 31, 2010 primarily driven by a favorable foreign currency impact of $50 million due to the strengthening of the euro against the dollar.

Revenue in the rest of the world increased by $138 million, or 18%, to $895 million for the year ended December 31, 2011 compared to $757 million for the year ended December 31, 2010. The increase was primarily related to higher volumes due to market growth in China and gains in market share in Brazil, South Asia and the Middle East as well as incremental revenue generated from the operations of the Whakatane paper mill that was acquired in May 2010. As a result of increased demand for aseptic packaging products, we expanded our plant in China and constructed a new plant in Brazil. Despite volume growth, revenue was negatively impacted by lower pricing in Asia, mainly China, due to the growing market for smaller sleeve cartons, increasing regional competition with the entry of new manufacturers in the aseptic packaging market and higher volume driven rebates. In addition, revenue increased by $35 million due to favorable foreign currency impacts, largely due to the strengthening of the Chinese yuan renminbi, Brazilian real, Thai baht and New Zealand dollar against the dollar.

Cost of Sales. Cost of sales increased by $215 million, or 16%, to $1,597 million for the year ended December 31, 2011 compared to $1,382 million for the year ended December 31, 2010. The increase in cost of sales was mainly attributable to an increase of $82 million of higher sales volume and an increase of $73 million in raw material costs, primarily resin and aluminum. For the years ended December 31, 2011 and 2010, raw material costs accounted for 65% and 63% of SIG s cost of sales, respectively. Unfavorable foreign currency impacts due to the strengthening of the euro against the dollar also increased cost of sales by $60 million.

Gross Profit. Gross profit decreased by $25 million, or 5%, to $439 million for the year ended December 31, 2011 compared to $464 million for the year ended December 31, 2010 and gross profit margin decreased to 22% for the year ended December 31, 2011 compared to 25% for the year ended December 31, 2010. The decrease in gross profit and gross profit margin is primarily due to the increase in raw material costs, mainly resin and aluminum, which SIG has not been able to pass through to its customers. The increase in raw material costs accounted for approximately 4 percentage points of the gross profit margin decline.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $25 million, or 11%, to $260 million for the year ended December 31, 2011 compared to $235 million for the year ended December 31, 2010. The increase is primarily due to unfavorable foreign currency impact of $13 million primarily related to the strengthening of the euro against the dollar. The remaining increase is mainly a result of market expansion in China and Brazil.

Net Other. Net other income increased by $4 million to $26 million for the year ended December 31, 2011 compared to $22 million for the year ended December 31, 2010. The increase is mainly due to a $9 million decline in restructuring expenses related to redundancy and consulting costs.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $220 million, $480 million and $483 million, respectively, compared to $267 million, $510 million and $513 million, respectively,

for the year ended December 31, 2010.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the SIG segment is as follows:

	For the Year Ended December 31, 2011	2010
	(In $ million)	
Profit from operating activities	**220**	**267**
Depreciation and amortization	260	243
EBITDA	**480**	**510**
Included in SIG segment EBITDA:		
Asset impairment charges (reversals)	4	(1)
Business interruption costs	2	
Equity method profit not distributed in cash	(8)	(11)
Gain on sale of businesses and investment properties		(6)
Restructuring costs	2	11
Unrealized loss on derivatives	2	
VAT and custom duties on historical imports	1	10
SIG segment Adjusted EBITDA	**483**	**513**

Evergreen Segment

	For the Year Ended December 31, 2011	% of Segment Revenue	2010	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Segment revenue	1,603	100%	1,583	100%	20	1%
Cost of sales	(1,379)	(86)%	(1,374)	(87)%	(5)	%
Gross profit	224	14%	209	13%	15	7%
Selling, marketing and distribution expense/General and administration expense	(102)	(6)%	(94)	(6)%	(8)	9%
Net other income	33	2%	27	2%	6	22%
Profit from operating activities	157	10%	144	9%	13	9%
Evergreen segment EBITDA	217	14%	206	13%	11	5%
Evergreen segment Adjusted EBITDA	217	14%	196	12%	21	11%

Revenue. Revenue increased by $20 million, or 1%, to $1,603 million for the year ended December 31, 2011 compared to $1,583 million for the year ended December 31, 2010. This increase was largely attributable to a $25 million increase in external sales of liquid packaging board and an increase of $20 million in sales of cartons, partially offset by a decrease of $25 million in sales of paper products. The increase in sales of liquid packaging board is due to higher sales prices of $32 million as a result of the pass-through of raw material price fluctuations to customers, partially offset by an impact of $7 million attributable to lower sales volumes. The increase in sales of cartons is due to $32 million in higher prices as a result of the pass-through of raw material cost increases to customers partially offset by an impact of $12 million attributable to lower sales volumes. The decline in sales of paper products is comprised of a decrease of $43 million due to lower sales volumes attributable to lower demand in the market, which was offset by an increase of $18 million as pricing improved in the current period.

Cost of Sales. Cost of sales increased by $5 million to $1,379 million for the year ended December 31, 2011 compared to $1,374 million for the year ended December 31, 2010. This increase in cost of sales is mainly attributable to the recognition of $10 million of Black Liquor Credit for the year ended December 31, 2010. No Black Liquor Credit was recognized for the year ended December 31, 2011. For further information on Black Liquor Credit, see Key Factors Influencing Our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Excluding the impact of Black Liquor Credit, cost of sales would have decreased by $5 million to $1,379 million for the year ended December 31, 2011 compared to $1,384 million for the year ended December 31, 2010. This decrease in cost of sales was mainly due to a $73 million decrease related to lower sales volume in liquid packaging board, paper products, and cartons partially offset by a $68 million increase in raw material costs, primarily resin, and other input costs, primarily specialty chemicals. For the years ended December 31, 2011 and 2010, raw material costs accounted for 44% and 41% of Evergreen s cost of sales, respectively.

Gross Profit. Gross profit increased by $15 million, or 7%, to $224 million for the year ended December 31, 2011 compared to $209 million for the year ended December 31, 2010. Excluding the impact of Black Liquor Credit, gross profit would have increased by $25 million, or 13%, to $224 million for the year ended December 31, 2011 compared to $199 million for the year ended December 31, 2010. Gross profit margin increased to 14% for the year ended December 31, 2011 compared to 13% for the year ended December 31, 2010. The increase in gross profit and gross profit margin was largely due to higher sales prices and productivity efficiencies, partially offset by higher costs for raw materials and other input costs as a result of the lag time between the purchase of raw materials by Evergreen and the pass-through of raw material price fluctuations to certain of its customers.

Evergreen s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including wood fiber, resin, commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal. Evergreen purchases most of its raw materials and other input costs on the spot market and generally cannot immediately pass through price increases or declines to certain of its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Evergreen s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $8 million, or 9%, to $102 million for the year ended December 31, 2011 compared to $94 million for the year ended December 31, 2010, due to $4 million of increased spending on marketing and new product development and $4 million of higher compensation costs, primarily as additional positions were filled.

Net Other. Net other income increased by $6 million, or 22%, to $33 million for the year ended December 31, 2011 compared to $27 million for the year ended December 31, 2010, primarily due to increases in by-product sales of $4 million and landfill tipping fees of $5 million earned in 2011.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $157 million, $217 million and $217 million, respectively, compared to $144 million, $206 million and $196 million, respectively, for the year ended December 31, 2010.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Evergreen segment is as follows:

	For the Year Ended December 31,	
	2011	**2010**
	(In $ million)	
Profit from operating activities	**157**	**144**
Depreciation and amortization	60	62
EBITDA	**217**	**206**
Included in Evergreen segment EBITDA:		
Black Liquor Credit		(10)
Business acquisition costs		1
Equity method profit not distributed in cash	(2)	(3)
Gain on sale of businesses and investment properties		(2)
Operational process engineering-related consultancy costs		2
Related party management fees		1
Unrealized loss on derivatives	2	1
Evergreen segment Adjusted EBITDA	**217**	**196**

Closures Segment

	For the Year Ended December 31,					
	2011	**% of Segment Revenue**	**2010**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Segment revenue	1,329	100%	1,174	100%	155	13%
Cost of sales	(1,122)	(84)%	(989)	(84)%	(133)	13%
Gross profit	207	16%	185	16%	22	12%
Selling, marketing and distribution expense/General and administration expense	(95)	(7)%	(96)	(8)%	1	(1)%
Net other income (expense)	(2)	%	7	1%	(9)	NM
Profit from operating activities	110	8%	96	8%	14	15%
Closures segment EBITDA	191	14%	175	15%	16	9%
Closures segment Adjusted EBITDA	195	15%	170	14%	25	15%

Revenue. Revenue increased by $155 million, or 13%, to $1,329 million for the year ended December 31, 2011 compared to $1,174 million for the year ended December 31, 2010. As discussed in more detail below, $84 million of this increase in revenue was due to increased sales volumes, primarily attributable to market share growth in North America and China and in Japan following the recovery from the natural disaster in March 2011. Favorable foreign currency impact also increased revenue by $43 million, primarily due to the strengthening of the Japanese yen, Mexican peso, euro and Brazilian real against the dollar.

Closures revenue is also impacted by changes in product mix and pricing related to the pass-through of resin price increases to customers. Within its beverage caps and closures market, Closures sells both short-height and traditional standard-height one-piece and two-piece plastic closures. Prices are generally lower on the short-height closure compared to the traditional standard-height closure, therefore product mix in the period directly impacts revenue. In addition, contractual price adjustments with customers do not occur simultaneously with actual resin purchase price fluctuations, but rather on a monthly, quarterly, semi-annual or other basis. Therefore, due to the differences in timing between Closures purchase of resin from its suppliers and sales of closures to its customers, pricing related to the pass-through of resin price fluctuations to customers also directly impacts revenue. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $28 million.

Revenue from North America increased by $92 million, or 20%, to $555 million for the year ended December 31, 2011 compared to $463 million for the year ended December 31, 2010. Higher sales volumes, primarily due to growth in market share, contributed $60 million to the increase in revenue. The growth in market share was primarily due to the CSI Americas acquisition in February 2010, additional market share gained from existing competitors and new product expansion. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $28 million. Favorable foreign currency impact also increased revenue by $4 million, primarily due to the strengthening of the Mexican peso against the dollar.

Revenue from the rest of the world increased by $63 million, or 9%, to $774 million for the year ended December 31, 2011 compared to $711 million for the year ended December 31, 2010. Higher sales volume, primarily due to growth in market share in China and market penetration in Japan following the recovery from the natural disaster in March 2011, contributed $19 million to the increase in revenue. Favorable foreign currency impact also contributed $39 million to the increase in revenue, which was primarily due to the strengthening of the Japanese yen, euro and Brazilian real against the dollar. The net increase in revenue as a result of changes in product mix, and pricing related to the pass-through of resin price increases to customers, was $5 million.

Cost of Sales. Cost of sales increased by $133 million, or 13%, to $1,122 million for the year ended December 31, 2011 compared to $989 million for the year ended December 31, 2010. Increased sales volume, as discussed above, resulted in an increase of $67 million in cost of sales. In addition, unfavorable foreign currency impact, primarily due to the strengthening of the Japanese yen, Mexican peso, euro, and Brazilian real against the dollar, increased cost of sales by $38 million. Closures cost of sales is also impacted by changes in product mix and raw material costs. Gross raw materials costs, primarily resin, increased by $107 million for the year ended December 31, 2011 compared to the year ended December 31, 2010, a significant portion of which was passed through to Closures customers as discussed above. The net increase in cost of sales as a result of changes in product mix and raw material costs was $30 million. For the years ended December 31, 2011 and 2010, raw material costs accounted for 61% and 59% of Closures cost of sales, respectively.

Gross Profit. Gross profit increased by $22 million, or 12%, to $207 million for the year ended December 31, 2011 compared to $185 million for the year ended December 31, 2010 and gross profit margin remained flat at 16%.

Higher sales volumes, primarily due to growth in market share, increased gross profit by $17 million. In addition, favorable foreign currency impact also increased gross profit by $5 million primarily due to the strengthening of the Japanese yen, Mexican peso, euro and Brazilian real against the dollar. These increases were partially offset by the impact of increased raw material costs and the lag in the pass-through of resin price increases to customers as discussed above.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses slightly decreased to $95 million for the year ended December 31, 2011 compared to $96 million for the year ended December 31, 2010.

Net Other. Other expenses increased by $9 million to $2 million compared to other income of $7 million for the year ended December 31, 2010. The increase is mainly attributable to a $10 million gain on acquisition from the purchase of CSI Americas in February 2010, a $2 million increase in restructuring costs related to Closures business in Germany and the consolidation of one plant in North America, offset by a $5 million gain on sale of one of Closures businesses in Europe. These items have been included in the segment s Adjusted EBITDA calculation.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were

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$110 million, $191 million and $195 million, respectively, compared to $96 million, $175 million and $170 million, respectively, for the year ended December 31, 2010.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Closures segment is as follows:

	For the Year Ended December 31,	
	2011	**2010**
	(In $ million)	
Profit from operating activities	**110**	**96**
Depreciation and amortization	81	79
EBITDA	**191**	**175**
Included in Closures segment EBITDA:		
Asset impairment charges	1	
Business acquisition costs		1
Business interruption costs	1	2
CSI Americas gain on acquisition		(10)
Gain on sale of business	(5)	
Restructuring costs	5	3
Unrealized (gain) loss on derivatives	2	(1)
Closures segment Adjusted EBITDA	**195**	**170**

Reynolds Consumer Products Segment

	For the Year ended December 31,					
	2011	**% of Segment Revenue**	**2010**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Segment revenue	2,559	100%	1,378	100%	1,181	86%
Cost of sales	(1,948)	(76)%	(1,051)	(76)%	(897)	85%
Gross profit	611	24%	327	24%	284	87%
Selling, marketing and distribution expense/General and administration expense	(215)	(8)%	(116)	(8)%	(99)	85%
Net other income (expense)	(43)	(2)%	3	%	(46)	NM
Profit from operating activities	353	14%	214	16%	139	65%
Reynolds Consumer Products segment EBITDA	503	20%	276	20%	227	82%

Reynolds Consumer Products segment Adjusted EBITDA	556	22%	299	22%	257	86%

We acquired Pactiv on November 16, 2010. The operating results of the Hefty consumer products business have been combined with the operating results of the Reynolds consumer products business since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within the Reynolds Consumer Products segment, other than revenue, we are unable to quantify the results of the Hefty consumer products business on a stand-alone basis for the year ended December 31, 2011. However, we have in a number of instances provided the results of Pactiv s Hefty consumer products business for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on the results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for the Hefty consumer products business were $1,162 million, $823 million, $141 million, $198 million, $253 million and $264 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011 the legacy Hefty consumer products revenue was $1,177 million.

Revenue. Revenue increased by $1,181 million, or 86%, to $2,559 million for the year ended December 31, 2011 compared to $1,378 million for the year ended December 31, 2010. This increase was largely attributable to revenue from the Hefty consumer products business that was acquired as part of the Pactiv Acquisition in November 2010.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that revenue would have increased by $19 million, or 1%, to $2,559 million for the year ended December 31, 2011. The increase in revenue would have been attributable to price increases across all product groups due to rising raw material costs that would have been partially offset by volume declines in our tableware and cooking product lines due to lower market demand.

Cost of Sales. Cost of sales increased by $897 million, or 85%, to $1,948 million for the year ended December 31, 2011 compared to $1,051 million for the year ended December 31, 2010. The increase in cost of sales is attributable to the Hefty consumer products business which was acquired as part of the Pactiv Acquisition, including increased depreciation expense of $61 million.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that cost of sales would have increased by $74 million to $1,948 million for the year ended December 31, 2011. This increase would have been largely attributable to increased raw material costs of approximately $140 million, primarily related to resin and aluminum. The increase in raw material costs would have been partially offset by actual synergies resulting from the Pactiv Acquisition and productivity efficiencies.

Reynolds Consumer Products experienced increases in raw material costs. For the years ended December 31, 2011 and 2010, raw material costs accounted for 63% and 58% of Reynolds Consumer Products cost of sales, respectively.

Gross Profit. Gross profit increased by $284 million, or 87%, to $611 million for the year ended December 31, 2011 compared to $327 million for the year ended December 31, 2010, while gross profit margin remained flat at 24%. For the period from January 1, 2010 to November 16, 2010, the gross profit of the Hefty consumer products business was $339 million.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that gross profit would have decreased by $55 million to $611 million and gross profit margin would have decreased to 24% compared to 26% for the year ended December 31, 2010. The decrease in the gross profit margin would have been primarily due to the increase in raw material costs, mainly resin and aluminum, that Reynolds Consumer Products had not been able to fully pass through to its customers partially offset by benefits from actual synergies resulting from the Pactiv Acquisition.

Reynolds Consumer Products gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Reynolds Consumer Products generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. For most resin based products, there is a lag time between the purchase of raw materials by Reynolds Consumer Products and the pass through of raw material price fluctuations to customers. For aluminum based products, contracts with customers do not contain contractual price protection for raw material cost fluctuations. Due to the differences in timing between

Reynolds Consumer Products purchases of resin from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising resin prices and positively impacted in periods of falling resin prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $99 million, or 85%, to $215 million for the year ended December 31, 2011 compared to $116 million for the year ended December 31, 2010. This increase was primarily attributable to the Hefty consumer products business.

If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have decreased by $42 million to $215 million for the year ended December 31, 2011. The decrease in selling, marketing and distribution expenses and general and administration expenses would have been attributable to decreased advertising spending and benefits from the actual synergies realized as part of the integration of the Hefty consumer products business into the Reynolds Consumer Products segment.

Net Other. Net other expense was $43 million for the year ended December 31, 2011 compared to net other income of $3 million for the year ended December 31, 2010. The change is mainly attributable to an increase of $19 million of net unrealized losses on open hedge positions, an increase of $15 million in restructuring costs related to severance and an increase of $11 million in operational process engineering-related consultancy costs. These items have been included in the segment s Adjusted EBITDA calculation. As discussed in more detail in Key Factors Influencing our Financial Condition and Results of Operations, we expect to incur additional costs of this type in 2012.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $353 million, $503 million and $556 million, respectively, compared to $214 million, $276 million and $299 million, respectively, for the year ended December 31, 2010. If the results of the Hefty consumer products business had been included in the results of the Reynolds Consumer Products segment for the year ended December 31, 2010, we estimate that Adjusted EBITDA for the year ended December 31, 2010 would have been $563 million.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Reynolds Consumer Products segment is as follows

	For the Year Ended December 31,	
	2011	2010
	(In $ million)	
Profit from operating activities	**353**	**214**
Depreciation and amortization	150	62
EBITDA	**503**	**276**
Included in Reynolds Consumer Products segment EBITDA:		
Adjustment related to settlement of a lease obligation		(2)
Business acquisition and integration costs	5	
Business interruption recoveries	(1)	
Impact of purchase price accounting on inventories and leases		25
Non-cash pension expense	3	

Non-cash inventory charge	1	
Operational process engineering-related consultancy costs	17	6
Restructuring costs (recoveries)	11	(4)
Unrealized (gain) loss on derivatives	17	(2)
Reynolds Consumer Products segment Adjusted EBITDA	**556**	**299**

Pactiv Foodservice Segment

	For the Year Ended December 31,					
	2011	% of Segment Revenue	2010	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Segment revenue	3,448	100%	924	100%	2,524	273%
Cost of sales	(2,924)	(85)%	(859)	(93)%	(2,065)	240%
Gross profit	524	15%	65	7%	459	706%
Selling, marketing and distribution expense/General and administration expense	(278)	(8)%	(80)	(9)%	(198)	248%
Net other expense	(124)	(4)%	(26)	(3)%	(98)	377%
Profit (loss) from operating activities	122	4%	(41)	(4)%	163	NM
Pactiv Foodservice segment EBITDA	414	12%	17	2%	397	NM
Pactiv Foodservice segment Adjusted EBITDA	549	16%	81	9%	468	578%

We acquired Pactiv on November 16, 2010. The operating results of the Pactiv foodservice packaging business have been combined with the operating results of the Reynolds foodservice packaging business since the consummation of the Pactiv Acquisition. As the products and systems of these businesses are now integrated within the Pactiv Foodservice segment, other than revenue, we are unable to quantify the results of the Pactiv foodservice packaging business on a stand-alone basis for the year ended December 31, 2011. However, we have in a number of instances provided the results of the Pactiv foodservice packaging business for the year ended December 31, 2010 to illustrate the magnitude of the impact that the Pactiv Acquisition may have had on the results of operations for the year ended December 31, 2011. For the period from January 1, 2010 to November 16, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for the Pactiv foodservice packaging business were $2,036 million, $1,640 million, $215 million, $153 million, $261 million and $315 million, respectively. These amounts include IFRS adjustments to Pactiv s historical results that were previously reported under U.S. GAAP. For the period from January 1, 2011 to November 16, 2011 the legacy Pactiv foodservice product revenue was $2,317 million.

We acquired Dopaco on May 2, 2011. The operating results of Dopaco have been included in the Pactiv Foodservice segment since the date of the Dopaco Acquisition. For the period from May 2, 2011 to December 31, 2011, Dopaco s revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA were $331 million, $300 million, $9 million, $10 million, $28 million and $45 million, respectively.

Revenue. Revenue increased by $2,524 million, or 273%, to $3,448 million for the year ended December 31, 2011 compared to $924 million for the year ended December 31, 2010. This increase was attributable to the revenue from foam, tableware, and specialty products generated from the operations of the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010. Prior to this acquisition, none of these products were offered by the Reynolds foodservice packaging business. Clear plastics, paper and aluminum product offerings were also significantly expanded as a result of the Pactiv Acquisition.

If the results of the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that revenue would have increased by $488 million, or 16%, to $3,448 million for the year ended December 31, 2011. This revenue increase would have been attributable to incremental revenue of $331 million generated from the operations of Dopaco, incremental revenue of $34 million related to the integration of a clear plastic business acquired by Pactiv in April 2010, and a $296 million impact from improved pricing primarily due to the pass-through of resin purchase price increases. These increases were partially offset by declines of $128 million due to lower volumes primarily as a result of exiting non-strategic product lines and $39 million due to the transfer of certain operations to our Reynolds Consumer Products segment on January 1, 2011.

Cost of Sales. Cost of sales increased by $2,065 million, or 240%, to $2,924 million for the year ended December 31, 2011 compared to $859 million for the year ended December 31, 2010. The increase is primarily attributable to the cost of sales incurred by the Pactiv foodservice packaging business and the Dopaco business which was acquired as part of the Pactiv Acquisition and the Dopaco Acquisition, respectively, including increased depreciation expense of $164 million as a result of property, plant and equipment acquired at fair value.

Pactiv Foodservice experienced increases in the purchase price of raw materials, primarily resin, aluminum and paper, for the year ended December 31, 2011 compared to the year ended December 31, 2010. Raw material costs accounted for 63% and 61% of Pactiv Foodservice s cost of sales, respectively, for those periods. Raw material costs for the year ended December 31, 2011 increased by $1,317 million compared to the year ended December 31, 2010, primarily due to the incremental volume attributable to the Pactiv Acquisition and the Dopaco Acquisition, partially offset by benefits from actual synergies realized from these acquisitions.

If the results of the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that cost of sales would have increased by $425 million, or 17%, to $2,924 million for the year ended December 31, 2011. This cost of sales increase would have been attributable to incremental cost of sales of $300 million incurred by Dopaco, incremental cost of sales of $30 million related to the integration of a clear plastic business acquired by Pactiv in April 2010 and the remaining increase would have been primarily attributable to the impact of higher raw material costs.

Gross Profit. Gross profit increased by $459 million, or 706%, to $524 million for the year ended December 31, 2011 compared to $65 million for the year ended December 31, 2010 and gross profit margin increased to 15% for the year ended December 31, 2011 compared to 7% for the year ended December 31, 2010, which reflects the impact of the Pactiv foodservice packaging business acquired in the Pactiv Acquisition.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate the gross profit margin would have declined slightly to 15% for the year ended December 31, 2011 compared to 16% for the year ended December 31, 2010 primarily due to the increase in depreciation expense as a result of property, plant and equipment acquired at fair value as discussed above, offset by actual synergies realized, productivity efficiencies and improved net pricing.

Pactiv Foodservice s gross profit has been, and will continue to be, impacted by changes in the costs of raw materials, including resin, aluminum and paper. Pactiv Foodservice generally cannot immediately pass through price increases or declines to its customers because the price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Pactiv Foodservice s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $198 million, or 248%, to $278 million for the year ended December 31, 2011 compared to $80 million for the year ended December 31, 2010, primarily due to expenses attributable to the Pactiv foodservice packaging business.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have decreased by $17 million to $278 million for the year ended December 31, 2011 compared to the year ended December 31, 2010. The decrease in selling, marketing and distribution expenses and general and administration expenses would have been largely attributable to benefits from both actual synergies realized and cost saving initiatives partially offset by increased intangible

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asset amortization expense incurred during the year ended December 31, 2011, resulting from the Pactiv Acquisition.

Net Other. Net other expenses increased by $98 million to $124 million for the year ended December 31, 2011 compared to $26 million for the year ended December 31, 2010. The increase is mainly attributable to an increase of $49 million in restructuring costs primarily related to severance, business acquisition and integration costs of $45 million, a charge of $21 million related to operational process engineering-related consultancy costs, a decrease of $8 million from a gain on sale of businesses and an increase of $4 million in unrealized losses on open hedge positions. These increases to net other expenses were partially offset by a reduction of $22 million in asset impairment charges and a reduction of $7 million on a supply termination charge. These items have been included in the segment s Adjusted EBITDA calculation.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2011 were $122 million, $414 million and $549 million, respectively, compared to loss from operating activities, EBITDA and Adjusted EBITDA of $41 million, $17 million and $81 million, respectively, for the year ended December 31, 2010.

If the Pactiv foodservice packaging business had been included in the results of the Pactiv Foodservice segment for the year ended December 31, 2010, we estimate that Adjusted EBITDA for the year ended December 31, 2010 would have been $396 million.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit (loss) from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 for the Pactiv Foodservice segment is as follows:

	For the year ended December 31,	
	2011	2010
	(In $ million)	
Profit (loss) from operating activities	**122**	**(41)**
Depreciation and amortization	292	58
EBITDA	**414**	**17**
Included in Pactiv Foodservice segment EBITDA:		
Asset impairment charges	7	29
Business acquisition and integration costs	45	
Gain on sale of businesses and investment properties		(8)
Impact of purchase price accounting on inventories and leases	5	38
Non-cash pension expense	4	
Non-cash inventory charge	2	
Operational process engineering-related consultancy costs	21	
Restructuring costs (recoveries)	48	(1)
Termination of supply agreement		7
Unrealized (gain) loss on derivatives	3	(1)
Pactiv Foodservice segment Adjusted EBITDA	**549**	**81**

Graham Packaging

(In $ million, except for %)	**For the period ended December 31, 2011**	**% of segment revenue**
Segment revenue	$ 967	100%
Cost of sales	(905)	(94)%
Gross profit	62	6%
Selling, marketing and distribution expense/General and administration expense	(72)	(7)%
Net other expense	(14)	(1)%
Loss from operating activities	(24)	(2)%
Graham Packaging segment EBITDA	105	11%
Graham Packaging segment Adjusted EBITDA	156	16%

We acquired Graham Packaging on September 8, 2011. The operating results of Graham Packaging from September 8, 2011 to December 31, 2011 have been included in the RGHL Group s operating results for the year ended December 31, 2011 as a separate reporting segment. For the period from January 1, 2010 to December 31, 2010, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA for Graham Packaging were $2,513 million, $2,077 million, $122 million, $235 million, $406 million and $505 million, respectively. For the period from January 1, 2011 to September 7, 2011, revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, loss from operating activities, EBITDA and Adjusted EBITDA for Graham Packaging were $2,130 million, $1,817 million, $173 million, $99 million, $46 million and $388 million respectively. These amounts include IFRS adjustments to Graham Packaging s historical results that were previously reported under U.S. GAAP.

Revenue. Revenue for the period from September 8, 2011 to December 31, 2011 was $967 million. On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that revenue would have increased by $584 million, or 23%, to $3,097 million for the year ended December 31, 2011. The increase in estimated revenue would have been attributable to $316 million generated from Graham Packaging s acquisitions, primarily from Liquid Container, as well as favorable changes in pricing related to the pass-through of resin price increases to customers. These increases, together with volume-related increases of $18 million and favorable currency impact of $19 million, would have been partially offset by net price reductions from operational cost savings shared with Graham Packaging s customers.

Cost of Sales. Cost of sales for the period from September 8, 2011 to December 31, 2011 was $905 million. Cost of sales was negatively impacted by purchase price accounting adjustments of $27 million for inventories acquired as part of the Graham Packaging Acquisition. Graham Packaging has experienced increases in raw material costs primarily related to resin. For the period from September 8, 2011 to December 31, 2011, raw material costs accounted for 56% of Graham Packaging s cost of sales.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that cost of sales would have increased by $645 million, or 31%, to $2,722 million for the year ended December 31, 2011. The increase in estimated cost of sales would have been attributable to higher revenue as described above, an overall increase in raw material costs, primarily resin, and the impact of purchase price accounting adjustments of $27 million as noted above. For the years ended December 31, 2011 and 2010, raw material costs would have accounted for 59% and 66% of Graham Packaging s cost of sales, respectively.

Gross Profit. Gross profit for the period from September 8, 2011 to December 31, 2011 was $62 million and gross profit margin was 6%. Gross profit margin was negatively impacted by purchase price accounting adjustments on inventories as discussed above. Excluding the impact of the purchase price accounting adjustments on inventories, the gross profit margin would have been 9%.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that gross profit would have decreased by $61 million, or 14%, to $375 million for the year ended December 31, 2011, and gross margin would have decreased to 12% from 17%. The decrease in estimated gross profit and gross margin would have been attributable to the purchase price accounting adjustments of $27 million related to inventories as noted above and net price reductions, partially offset by contributions from higher revenues discussed above and productivity improvements. In addition to the impact of these factors, the gross profit margin would have decreased due to higher resin costs and additional depreciation and amortization related to the step-up on acquired fixed assets and identifiable intangible assets.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses for the period from September 8, 2011 to December 31, 2011 were $72 million. Included in selling, marketing and distribution expenses was a $12 million change in control payment related to the Graham Packaging Acquisition.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that selling, marketing and distribution expenses and general and administration expenses would have increased by $123 million, or 101%, to $245 million for the year ended December 31, 2011. The increase in estimated selling, marketing and distribution expenses and general and administration expenses would have been primarily attributable to acquisition-related expenses of $103 million and an increase in amortization expense of $28 million related to the step-up in identifiable intangible assets as a result of acquisitions, partially offset by bonuses and other costs paid in connection with the initial public offering during the year ended December 31, 2010.

Net Other. Other expenses for the period from September 8, 2011 to December 31, 2011 were $14 million. Included in other expenses are business acquisition and integration costs of $9 million and

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restructuring costs of $3 million. These items have been included in the segment s Adjusted EBITDA calculation.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that net other expenses would have increased by $174 million, or 220%, to $253 million for the year ended December 31, 2011. The increase in estimated net other expenses would have been primarily attributable to the payment of $229 million for the termination of the income tax receivable agreements, partially offset by a fee of $35 million to affiliates of Blackstone and the Graham family to terminate a monitoring agreement.

Loss from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, loss from operating activities, EBITDA and Adjusted EBITDA for the period from September 8, 2011 to December 31, 2011 were $24 million, $105 million and $156 million, respectively.

On a pro forma basis, as if we owned Graham Packaging for each of the years ended December 31, 2011 and December 31, 2010, we estimate that Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 would have been $544 million and $505 million, respectively.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of loss from operating activities to EBITDA and Adjusted EBITDA for the period from September 8, 2011 to December 31, 2011 for the Graham Packaging segment is as follows:

	For the period ended December 31, 2011 (In $ million)
Loss from operating activities	**(24)**
Depreciation and amortization	129
EBITDA	**105**
Included in Graham Packaging segment EBITDA:	
Business acquisition and integration costs	9
Change in control payments	12
Impact of purchase price accounting on inventories and leases	27
Restructuring costs	3
Graham Packaging segment Adjusted EBITDA	**156**

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Year Ended December 31, 2010 Compared with the Year Ended December 31, 2009

Reynolds Group Holdings Limited

	For the Year Ended December 31,					
	2010(1)	% of Revenue	2009(2)	% of Revenue	Change	% Change
	(In $ million, except for %)					
Revenue	**6,774**	**100%**	**5,910**	**100%**	**864**	**15%**
Cost of sales	(5,524)	(82)%	(4,691)	(79)%	(833)	18%
Gross profit	**1,250**	**18%**	**1,219**	**21%**	**31**	**3%**
Selling, marketing and distribution expenses/General and administration expenses	(623)	(9)%	(577)	(10)%	(46)	8%
Other income	22	%	105	2%	(83)	(79)%
Share of profit of associates and joint ventures, net of income tax	18	%	11	%	7	64%
Profit from operating activities	**667**	**10%**	**758**	**13%**	**(91)**	**(12)%**
Financial income	66	1%	21	%	45	214%
Financial expenses	(752)	(11)%	(513)	(9)%	(239)	47%
Net financial expenses	**(686)**	**(10)%**	**(492)**	**(8)%**	**(194)**	**39%**
Profit (loss) before income tax	**(19)**	**%**	**266**	**5%**	**(285)**	**NM**
Income tax expense	(78)	(1)%	(149)	(3)%	71	(48)%
Profit (loss) for the period	**(97)**	**(1)%**	**117**	**2%**	**(214)**	**NM**
Depreciation and amortization	504	7%	502	8%	2	%
RGHL Group EBITDA(3)	1,171	17%	1,260	21%	(89)	(7)%
RGHL Group Adjusted EBITDA(3)	1,251	18%	1,130	19%	121	11%

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, adjusted to exclude certain items of a

significant or unusual nature, including but not limited to acquisition costs, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow for management s discretionary use, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

As more fully described under the heading Overview Recent Acquisitions and Integration, we acquired Pactiv on November 16, 2010. The operating results of Pactiv have been included in our results and in the results of the Reynolds Consumer Products and Pactiv Foodservice segments since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, Pactiv s revenue, cost of sales, selling, marketing and distribution/general and administration expenses, loss from operating activities, EBITDA and Adjusted EBITDA were $481 million, $444 million, $48 million, $31 million, $10 million and $89 million, respectively. For further details on the Pactiv Acquisition, refer to note 33 of the RGHL Group s audited financial statements included elsewhere in this prospectus.

Revenue. Revenue increased by $864 million, or 15%, to $6,774 million for the year ended December 31, 2010 compared to $5,910 million for the year ended December 31, 2009. This increase was largely attributable to $481 million of incremental revenue generated from the operations of Pactiv, $82 million of incremental revenue generated from the Whakatane paper mill and $52 million of incremental revenue generated from CSI Americas, each of which was acquired in 2010.

All of our segments, other than Pactiv Foodservice, experienced increases in sales volume during 2010. Pactiv Foodservice experienced lower sales volume in 2010 due to its planned exits from non-strategic and lower margin products. Price increases also contributed to our increased revenue in 2010 and were primarily driven by the flow-through of higher resin prices to customers in our Closures and Pactiv Foodservice segments.

Revenue increases were partially offset by a net unfavorable foreign currency impact of $47 million primarily due to the weakening of the euro against the dollar, which had a $72 million unfavorable impact in the SIG segment and a $25 million favorable impact due to the strengthening of other currencies against the dollar in the Closures segment. For a detailed explanation of the variations in revenue for each of our segments, see the individual segment discussions below.

Cost of Sales. Cost of sales for the year ended December 31, 2010 increased by $833 million, or 18%, to $5,524 million for the year ended December 31, 2010 compared to $4,691 million for the year ended December 31, 2009. The increase in cost of sales is largely attributable to an additional $444 million in cost of sales associated with the operations of Pactiv including $64 million related to the impact of purchase price accounting on inventories, and the impact of the expiration of the Black Liquor Credit within the Evergreen segment. For the year ended December 31, 2009, cost of sales included a benefit of $214 million while the year ended December 31, 2010 included a benefit of $10 million relating to Black Liquor Credit. Cost of sales also increased primarily due to higher sales volume across all segments other than Pactiv Foodservice. These increases were partially offset by $95 million of expenses in 2009 within the Reynolds Consumer Products and Pactiv Foodservice segments resulting from the settlement of unfavorable historical aluminum hedge positions under the segments historical hedging policy, which was terminated in the three months ended December 31, 2009.

In addition, cost of sales was impacted by favorable foreign currency impact of $43 million primarily due to the weakening of the euro against the dollar, which had a $64 million favorable impact at the SIG segment and a $21 million unfavorable impact at the Closures segment.

For a detailed explanation of the variations in cost of sales for each of our segments, see the individual segment discussions below.

Gross Profit. Gross profit increased by $31 million, or 3%, to $1,250 million for the year ended December 31, 2010 compared to $1,219 million for the year ended December 31, 2009. However, gross profit margin decreased to 18% for the year ended December 31, 2010 compared to 21% for the year ended December 31, 2009 due to the impact of the Black Liquor Credit, the unfavorable historical aluminum hedge positions and a purchase price accounting adjustment on inventory as discussed above.

Excluding these non-recurring credits and losses recorded in cost of sales, gross profit margin would have remained constant at 19% for the year ended December 31, 2010 compared to the year ended December 31, 2009. For further information on the variations in gross profit for each of our segments, see the individual segment discussions below.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $46 million, or 8%, to $623 million for the year ended December 31, 2010 compared to $577 million for the year ended December 31, 2009. This increase was primarily due to $48 million in expenses attributable to Pactiv.

For a detailed explanation of the variations in selling, marketing and distribution expenses and general and administration expenses for each of our segments, see the individual segment discussions below.

Net Other Income and Other Expenses. Net other income decreased by $83 million, or 79%, to $22 million for the year ended December 31, 2010 compared to $105 million for the year ended December 31, 2009. This decline in net other income was primarily attributable to a $125 million decrease in unrealized gains on derivatives used to hedge exposure to commodity prices partially offset by a $49 million decrease in business restructuring expenses during 2010. Refer to note 8 and note 10 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus.

Other. The increase of $7 million in the share of profits of associates and joint ventures for the year ended December 31, 2010 was primarily due to continued improvement in the results of operations of the Obeikan joint venture operations within our SIG segment.

Net Financial Expenses. Net financial expenses increased by $194 million, or 39%, to $686 million for the year ended December 31, 2010 compared to $492 million for the year ended December 31, 2009. The increase was largely related to an increase of $191 million in interest expense due to increases in the principal amount of the RGHL Group s fixed and floating rate borrowings of $4,896 million and $2,116 million, respectively, resulting from the issuance or acquisition of additional indebtedness. Interest rate changes on the floating rate borrowings had no significant impact on net financial expenses for the year ended December 31, 2010. Net financial expenses for the year ended December 31, 2010 also included $109 million of debt financing related costs that were partially offset by a $42 million change in the fair value of derivative financial instruments. Our borrowings (net of original issue discount, unamortized debt issuance costs and embedded derivatives) as of December 31, 2010 were $11,842 million compared to $4,954 million as of December 31, 2009. In November 2009 and May 2010, we completed the financings associated with the RGHL Acquisition and the Evergreen Acquisition, respectively. In November 2010, we incurred additional borrowings of $5,020 million, the proceeds of which were used to finance the Pactiv Acquisition and repay existing indebtedness. Following the Pactiv Acquisition, $1,482 million of Pactiv s indebtedness remained outstanding. The timing of these financings has resulted in our historical interest expense not being representative of our interest expense in future periods. Refer to Key Factors Influencing Our Financial Condition and Results of Operations Acquisitions, Substantial Leverage and Other Transaction-Related Effects. For more information regarding the RGHL Group s financial expenses and borrowings, refer to notes 12 and 25, respectively, of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011 included elsewhere in this prospectus.

Income Tax Expense. For the year ended December 31, 2010, the income tax expense of $78 million on a loss before income tax of $19 million was largely due to the inability of certain subsidiaries to claim deductions for certain expense items, such as interest and other associated financing costs, due to local jurisdictional limitations. For a reconciliation of pre-tax profit (loss) to tax expense, refer to note 13 of the RGHL Group s audited financial statements, included elsewhere in this prospectus.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $667 million, $1,171 million and $1,251 million, respectively, compared to $758 million, $1,260 million and $1,130 million, respectively, for the year ended December 31, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the RGHL Group is as follows:

	For the Year Ended December 31,	
	2010(1)	2009(2)
	(In $ million)	
Profit from operating activities	**667**	**758**
Depreciation and amortization	504	502
EBITDA(3)	**1,171**	**1,260**
Included in the RGHL Group EBITDA:		
Adjustment related to settlement of a lease obligation	(2)	
Asset impairment charges	28	13
Black Liquor Credit	(10)	(214)
Business acquisition costs	12	1
Business interruption costs	2	
CSI Americas gain on acquisition	(10)	
Elimination of the effect of the historical Reynolds Consumer hedging policy		95
Equity method profit not distributed in cash	(14)	(10)
Gain on sale of businesses and investment properties	(16)	
Impact of purchase price accounting on inventories	63	5
Korean insurance claim		(2)
Loss on sale of Baco assets		1
Manufacturing plant flood impact		5
Operational process engineering-related consultancy costs	8	13
Non-cash pension income	(5)	
Plant realignment costs		2
Related party management fees	1	3
Restructuring costs	9	58
Termination of supply agreements	7	
Transition costs		24
Unrealized gains on derivatives	(3)	(129)
VAT and custom duties on historical imports	10	3
Write down of assets held for sale		1
Write-off of receivables related to sale of Venezuela operations		1
RGHL Group Adjusted EBITDA(3)	**1,251**	**1,130**

Segment detail of Adjusted EBITDA:		
SIG	513	475
Evergreen	196	167
Closures	170	148
Reynolds Consumer Products	299	280
Pactiv Foodservice	81	60
Corporate/Unallocated	(8)	
RGHL Group Adjusted EBITDA(3)	**1,251**	**1,130**

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

(3) RGHL Group EBITDA is defined as profit (loss) from continuing operations for the period plus income tax expenses, net financial expenses, depreciation of property, plant and equipment and investment properties and amortization of intangible assets. RGHL Group Adjusted EBITDA, a measure used by our management to measure operating performance, is defined as RGHL Group EBITDA, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, 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. EBITDA and Adjusted EBITDA are not presentations made in accordance with IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) from continuing operations for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual results. Refer to Risk Factors. Additionally, RGHL Group EBITDA and RGHL Group Adjusted EBITDA are not intended to be measures of free cash flow for management s discretionary use, as they do not take into account certain items such as interest and principal payments on our indebtedness, depreciation and amortization expense, working capital needs, tax payments, and capital expenditures. We believe that the inclusion of EBITDA and Adjusted EBITDA in this prospectus is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities also present EBITDA, Adjusted EBITDA and other pro forma measures of Adjusted EBITDA because investors, analysts and rating agencies consider these measures useful. Because not all companies calculate EBITDA and Adjusted EBITDA identically, this presentation of EBITDA and Adjusted EBITDA may not be comparable to the similarly titled measures of other companies.

SIG Segment

	For the Year Ended December 31,					
	2010	% of Segment Revenue	2009	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Segment revenue	1,846	100%	1,668	100%	178	11%
Cost of sales	(1,382)	(75)%	(1,258)	(75)%	(124)	10%
Gross profit	464	25%	410	25%	54	13%
Selling, marketing and distribution expense/General and administration expense	(235)	(13)%	(224)	(13)%	(11)	5%
Net other income (expense)	22	1%	(5)	%	27	NM
Profit from operating activities	267	14%	190	11%	77	41%
SIG segment EBITDA	510	28%	440	26%	70	16%
SIG segment Adjusted EBITDA	513	28%	475	28%	38	8%

Revenue. Revenue increased by $178 million, or 11%, to $1,846 million for the year ended December 31, 2010 compared to $1,668 million for the year ended December 31, 2009. As discussed in more detail below, $171 million of this increase in revenue was attributable to an increase in volume, primarily due to the recovery of consumer confidence in milk products in China following the melamine contamination of dairy products that occurred in 2008, new customers in Southern Europe, South America and the Middle East and growth with existing customers in Eastern Europe. In addition, the increase in revenue is partially attributable to $82 million of incremental revenue generated from the operations of the Whakatane paper mill which was acquired in May 2010. The increases in revenue were offset by an unfavorable foreign currency impact of $72 million largely attributable to the weakening of the euro against the dollar and a $3 million unfavorable impact due to lower prices as a result of market competition.

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Revenue in Europe decreased by $28 million, or 3%, to $1,089 million for the year ended December 31, 2010 compared to $1,117 million for the year ended December 31, 2009. Revenue for the year ended December 31, 2010 included an unfavorable foreign currency impact of $49 million largely attributable to the weakening of the euro against the dollar. Excluding this foreign currency impact, revenue increased by $21 million primarily as a result of revenue growth of $33 million in the Southern and Eastern European markets during the year ended December 31, 2010 largely due to an increase in sales volume in the liquid dairy, food packaging and juice markets due to higher demand. The increase was partially offset by a $13 million revenue decrease in the Western European market largely due to lower volumes from a market shift to the use of lower cost PET instead of cartonboard in the juice market.

Revenue in the rest of the world increased by $206 million, or 37%, to $757 million for the year ended December 31, 2010 compared to $551 million for the year ended December 31, 2009. The increase in revenue is partially attributable to $82 million of incremental revenue generated from the operations of the Whakatane paper mill which was acquired in May 2010. Additionally, revenue increased by $147 million mainly due to an increase in sales volume in China resulting from the recovery of consumer confidence in milk products following the melamine contamination of dairy products that occurred in 2008 in South America primarily due to new customers and in the Middle East primarily due to a significant increase in volume and the number of filler machines deployed to meet the needs of new customers. Revenue for the year ended December 31, 2010 included an unfavorable foreign currency impact of $23 million largely attributable to the strengthening of the Thai baht and Brazilian real against the dollar.

Cost of Sales. Cost of sales increased by $124 million, or 10%, to $1,382 million for the year ended December 31, 2010 compared to $1,258 million for the year ended December 31, 2009. Cost of sales increased by $187 million due to the impact of volume increases primarily attributable to the operations of the Whakatane paper mill as discussed above. The increase in cost of sales was partially offset by a $64 million favorable foreign currency impact largely attributable to the weakening of the euro against the dollar. Raw materials costs, primarily resin and aluminum, increased by $117 million during the year ended December 31, 2010. For the years ended December 31, 2010 and 2009, raw material costs accounted for 63% and 60% of SIG s cost of sales, respectively.

Gross Profit. Gross profit increased by $54 million or 13% to $464 million for the year ended December 31, 2010 compared to $410 million for the year ended December 31, 2009. Gross profit margin for the year ended December 31, 2010 remained stable at 25% compared to the year ended December 31, 2009. Besides positive volume growth, the margin benefitted from improvement of the profit margin in China, due to relatively lower manufacturing costs as a result of a plant expansion in China, which yielded better fixed cost absorption. These were partially offset by increases in raw material costs that were not passed through to customers. Gross profit for the year ended December 31, 2010 reflected an unfavorable foreign currency impact of $8 million compared to the year ended December 31, 2009, largely attributable to the weakening of the euro against the dollar.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $11 million, or 5%, to $235 million for the year ended December 31, 2010 compared to $224 million for the year ended December 31, 2009 primarily due to $9 million in additional expenses related to SIG s developing business in the growing China and South American markets.

Other. Other expenses reflect a $26 million decline in restructuring expenses related to redundancy and related consulting costs.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $267 million, $510 million and $513 million, respectively, compared to $190 million, $440 million and $475 million, respectively,

for the year ended December 31, 2009.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the SIG segment is as follows:

	For the Year Ended December 31,	
	2010	**2009**
	(In $ million)	
Profit from operating activities	**267**	**190**
Depreciation and amortization	243	250
EBITDA	**510**	**440**
Included in SIG segment EBITDA:		
Asset impairment charges (reversals)	(1)	6
Equity method profit not distributed in cash	(11)	(8)
(Gain) on sale of businesses and investment properties	(6)	
Restructuring costs	11	38
Unrealized gain on derivatives		(4)
VAT and customs duties on historical imports	10	3
SIG segment Adjusted EBITDA	**513**	**475**

Evergreen Segment

	For the Year Ended December 31,					
	2010	**% of Segment Revenue**	**2009**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					
Segment revenue	1,583	100%	1,429	100%	154	11%
Cost of sales	(1,374)	(87)%	(1,053)	(74)%	(321)	30%
Gross profit	209	13%	376	26%	(167)	(44)%
Selling, marketing and distribution expense General and administration expense	(94)	(6)%	(83)	(6)%	(11)	13%
Net other income (expense)	27	2%	(2)	%	29	NM
Profit from operating activities	144	9%	293	21%	(149)	(51)%
Evergreen segment EBITDA	206	13%	357	25%	(151)	(42)%
Evergreen segment Adjusted EBITDA	196	12%	167	12%	29	17%

Revenue. Revenue increased by $154 million, or 11%, to $1,583 million for the year ended December 31, 2010 compared to $1,429 million for the year ended December 31, 2009. This increase was largely attributable to a $80 million increase in external sales of liquid packaging board and an increase of $75 million in sales of paper products, partially offset by a $1 million decrease in sales of cartons. The increase in sales of liquid packaging board is due to higher sales volume of $62 million, resulting from higher consumer demand due to the recovery from the economic slowdown experienced in the year ended December 31, 2009, and $18 million of higher sales prices as a result of the pass through of raw material price fluctuations to customers. The increase in sales of paper products is due to higher volume of $56 million and higher sales prices of $19 million as demand for envelopes and other commercial paper products recovered from the economic slowdown experienced in the year ended December 31, 2009. The decline in sales of cartons is due to a decrease in volume of $18 million due to lower customer demand, partially offset by higher prices of $17 million as a result of the pass through of raw material price fluctuations to customers.

Cost of Sales. Cost of sales increased by $321 million, or 30%, to $1,374 million for the year ended December 31, 2010 compared to $1,053 million for the year ended December 31, 2009. The increase in cost of sales is mainly attributable to the recognition of $10 million of Black Liquor Credit for the year ended December 31, 2010 compared to $214 million of Black Liquor Credit for the year ended December 31, 2009. For further information on Black Liquor Credit see Key Factors Influencing Our Financial Condition and Results of Operations Raw Materials and Energy Prices.

Excluding the impact of Black Liquor Credit, cost of sales would have increased by $117 million, or 9%, to $1,384 million for the year ended December 31, 2010 compared to $1,267 million for the year ended December 31, 2009. The increase in cost of sales would have been attributable to a $136 million increase related to higher sales volume, primarily of liquid packaging board and paper products, partially offset by a $19 million benefit from cost savings initiatives. Excluding the impact of Black Liquor Credit, raw material costs for the years ended December 31, 2010 and 2009 accounted for 41% and 42% of Evergreen s cost of sales, respectively.

Gross Profit. Gross profit decreased by $167 million, or 44%, to $209 million for the year ended December 31, 2010 compared to $376 million for the year ended December 31, 2009. Gross profit margin for the year ended December 31, 2010 decreased to 13% of the segment s revenue compared to 26% for the year ended December 31, 2009. This decrease was due to a decline in the impact of Black Liquor Credit on cost of sales as discussed above.

Excluding the impact of Black Liquor Credit, gross profit would have been 13% of the segment s revenue for the year ended December 31, 2010 compared to 11% for the year ended December 31, 2009. This improvement in gross profit margin was largely driven by higher sales volume, partially offset by an increase in raw material costs and other input costs as a result of the lag time between the purchase of raw materials by Evergreen and the pass through of raw material price fluctuations to customers.

Evergreen s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including fiber, resin and commodity chemicals, and energy, including fuel oil, electricity, natural gas and coal. Evergreen purchases most of its raw materials on the spot market and generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Evergreen s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $11 million, or 13%, to $94 million for the year ended December 31, 2010 compared to $83 million for the year ended December 31, 2009, largely due to increased compensation expense.

Other. Net other expenses decreased by $29 million to net other income of $27 million for the year ended December 31, 2010 compared to net other expense of $2 million for the year ended December 31, 2009 due to an $11 million decline in operational process engineering-related consultancy costs, an increase in by-product sales of $7 million, a $2 million gain on sale of businesses, a $6 million decline in asset impairment charges and a $3 million decrease in restructuring charges incurred in 2009 due to exit costs and the disposal of certain manufacturing facilities.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $144 million, $206 million and $196 million, respectively, compared to $293 million, $357 million and $167 million, respectively,

for the year ended December 31, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Evergreen segment is as follows:

	For the Year Ended December 31, 2010	2009
	(In $ million)	
Profit from operating activities	**144**	**293**
Depreciation and amortization	62	64
EBITDA	**206**	**357**
Included in Evergreen segment EBITDA:		
Asset impairment charges		6
Black Liquor Credit	(10)	(214)
Business acquisition costs	1	1
Equity method profit not distributed in cash	(3)	(2)
Gain on sale of businesses and investment properties	(2)	
Korean insurance claim		(2)
Operational process engineering-related consultancy costs	2	13
Related party management fees	1	3
Restructuring costs		3
Unrealized loss on derivatives	1	
Write-down of assets held for sale		1
Write-off of receivables related to the sale of Venezuela operations		1
Evergreen segment Adjusted EBITDA	**196**	**167**

Closures Segment

	For the Year Ended December 31, 2010	% of Segment Revenue	2009	% of Segment Revenue	Change	% Change
	(In $ million, except for %)					
Segment revenue	1,174	100%	980	100%	194	20%
Cost of sales	(989)	(84)%	(819)	(84)%	(170)	21%
Gross profit	185	16%	161	16%	24	15%
Selling, marketing and distribution expense/General and administration expense	(96)	(8)%	(87)	(9)%	(9)	10%
Net other income (expense)	7	1%	8	1%	(1)	(13)%
Profit from operating activities	96	8%	82	8%	14	17%

Closures segment EBITDA	175	15%	155	16%	20	13%
Closures segment Adjusted EBITDA	170	14%	148	15%	22	15%

Revenue. Revenue increased by $194 million, or 20%, to $1,174 million for the year ended December 31, 2010 compared to $980 million for the year ended December 31, 2009. As discussed in more detail below, $73 million of this increase in revenue was due to increased sales volumes, largely attributable to market growth in Europe and Asia. In addition, the increase in revenue is also attributable to $52 million of incremental revenue generated from the operations of CSI Americas which was acquired in February 2010. Favorable foreign currency impact also increased revenue by $25 million primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar.

Closures revenue is also impacted by changes in product mix and pricing related to the pass-through of resin price increases to customers. Within its beverage caps and closures market, Closures sells both a short height closure and a traditional two-piece closure. Prices are generally lower on the short height closure compared to the traditional two-piece closure, therefore, product mix in the period directly impacts revenue. In addition, contractual price adjustments with customers do not occur simultaneously with actual resin purchase price fluctuations, but rather on a monthly, quarterly, semi-annual or other basis. Therefore, due to the differences in timing between Closures purchase of resin from its suppliers and sales of closures to its customers, pricing related to the pass-through of resin price fluctuations to customers also directly impacts revenue. The net increase in revenue as a result of product mix and pricing related to the pass-through of resin price increases to customers was $44 million.

Revenue from North America increased by $103 million, or 29%, to $464 million for the year ended December 31, 2010 compared to $361 million for the year ended December 31, 2009. This increase was primarily attributable to $52 million of incremental revenue generated from the operations of CSI Americas. In addition, higher sales volume, primarily due to increased market share in North America, increased revenue by $6 million. Favorable foreign currency impact increased revenue by $9 million, primarily due to the strengthening of the Mexican peso against the dollar. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $36 million.

Revenue in the rest of the world markets increased by $92 million, or 15%, to $711 million for the year ended December 31, 2010 compared to $619 million for the year ended December 31, 2009. Increased volume, largely attributable to growth in Europe and Asia, contributed $68 million to the increase in revenue. These increases were primarily attributable to increased market penetration, introduction of new products, including short height closures, and increased market share in Europe and Asia. Favorable foreign currency impact, primarily due to the strengthening of the Japanese yen and Brazilian real against the dollar, increased revenue in the rest of the world by $16 million. The net increase in revenue as a result of changes in product mix and pricing related to the pass-through of resin price increases to customers was $8 million.

Cost of Sales. Cost of sales increased by $170 million, or 21%, to $989 million for the year ended December 31, 2010 compared to $819 million for the year ended December 31, 2009. The increase in cost of sales was primarily attributable to a $57 million increase due to higher sales volumes, as discussed above, as well as $49 million of incremental costs associated with the operations of CSI Americas. In addition, unfavorable foreign currency impact increased cost of sales by $21 million, primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar.

Closures cost of sales is also impacted by changes in product mix and raw material costs. Gross raw materials costs, primarily resin, increased by $130 million for the year ended December 31, 2010 compared to the year ended December 31, 2009, a significant portion of which is passed through to Closures customers as discussed above. The net increase in cost of sales as a result of changes in product mix and increases in raw material costs was $42 million. For the years ended December 31, 2010 and 2009, raw material costs accounted for 59% and 55% of Closures cost of sales, respectively.

Gross Profit. Gross profit increased by $24 million, or 15%, to $185 million for the year ended December 31, 2010 compared to $161 million for the year ended December 31, 2009 and gross profit margin remained flat at 16% for the year ended December 31, 2010 compared to the year ended December 31, 2009.

Gross profit increased by $16 million as a result of sales volume growth and $3 million as a result of incremental gross profit generated from the operations of CSI Americas which was acquired in February 2010. Favorable foreign currency impact increased gross profit by $4 million, primarily due to the strengthening of the Japanese yen, Mexican peso and Brazilian real against the dollar. These increases were partially offset by the net impact of increased raw material costs, changes in product mix and pricing related to the pass-through of resin price increases to customers as discussed above.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $9 million, or 10%, to $96 million for the year ended December 31, 2010 compared to $87 million for the year ended December 31,

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2009. This increase was largely due to $3 million of higher amortization expense primarily as a result of the implementation of software during the second half of 2009, as well as $4 million of higher advertising and other marketing expenses primarily associated with market expansion.

Other. Other income included a gain of $10 million on the purchase of CSI Americas in February 2010 and $3 million of restructuring costs. The results of operations for the year ended December 31, 2009 included $10 million of unrealized gains on derivative instruments and $3 million of restructuring costs. These items have been included in the segment s Adjusted EBITDA calculation.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $96 million, $175 million and $170 million, respectively, compared to $82 million, $155 million and $148 million, respectively, for the year ended December 31, 2009.

EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Closures segment is as follows:

	For the Year Ended December 31,	
	2010	2009
	(In $ million)	
Profit from operating activities	**96**	**82**
Depreciation and amortization	79	73
EBITDA	**175**	**155**
Included in Closures segment EBITDA:		
Business acquisition costs	1	
Business interruption costs	2	
CSI Americas gain on acquisition	(10)	
Restructuring costs	3	3
Unrealized gain on derivatives	(1)	(10)
Closures segment Adjusted EBITDA	**170**	**148**

Reynolds Consumer Products Segment

For the Year Ended December 31,					
2010(1)	% of Segment Revenue	2009(2)	% of Segment Revenue	Change	% Change
(In $ million, except for %)					

Segment revenue	1,378	100%	1,190	100%	188	16%
Cost of sales	(1,051)	(76)%	(968)	(81)%	(83)	9%
Gross profit	327	24%	222	19%	105	47%
Selling, marketing and distribution expense/General and administration expense	(116)	(8)%	(126)	(11)%	10	(8)%
Net other income (expense)	3	%	95	8%	(92)	(97)%
Profit from operating activities	214	16%	191	16%	23	12%
Reynolds Consumer Products segment EBITDA	276	20%	254	21%	22	9%
Reynolds Consumer Products segment Adjusted EBITDA	299	22%	280	24%	19	7%

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(1) Represents the results of operations for Reynolds Consumer Products for the full year ended December 31, 2010 which includes the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations for Reynolds Consumer Products for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds consumer products business and does not include the results of operations for the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

We acquired Pactiv on November 16, 2010. The operating results of the Hefty consumer products business have been included within the Reynolds Consumer Products segment since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, the Hefty consumer products business revenue, cost of sales, selling, marketing and distribution expenses/general and administration expenses, profit from operating activities, EBITDA and Adjusted EBITDA included in the Reynolds Consumer Products segment were $177 million, $156 million, $17 million, $4 million, $17 million and $42 million, respectively.

Revenue. Revenue increased by $188 million, or 16%, to $1,378 million for the year ended December 31, 2010 compared to $1,190 million for the year ended December 31, 2009. This increase was largely attributable to $177 million of incremental revenue from waste and storage and tableware products generated from the operations of the Hefty consumer products business which was acquired as part of the Pactiv Acquisition in November 2010. The remaining $11 million increase in revenue was mainly due to an increase in selling prices resulting from the pass-through of resin price increases to customers and increases in sales volume, partially offset by a decrease in revenue resulting from the planned exit from certain low margin or unprofitable product lines in the second half of 2009.

Cost of Sales. Cost of sales increased by $83 million, or 9%, to $1,051 million for the year ended December 31, 2010 compared to $968 million for the year ended December 31, 2009. The increase in cost of sales was due to incremental cost of sales of $156 million incurred by the Hefty consumer products business, which included purchase price accounting adjustments of $25 million for inventories acquired as part of the Pactiv Acquisition. The increase was partially offset by realized hedging losses recognized for the year ended December 31, 2009, partially offset by increased raw material costs for the year ended December 31, 2010. Cost of sales for the year ended December 31, 2009 was negatively impacted by realized losses of $91 million related to the settlement of unfavorable aluminum hedge positions under the segment s historical hedging policy, which has since been terminated. As a result of this hedging policy and the steep decline in the price of aluminum during the second half of 2008 and into early 2009, Reynolds Consumer Products realized $91 million of hedging losses, which is reflected in cost of sales for the year ended December 31, 2009.

Excluding the impact of the realized losses related to the unfavorable aluminum hedge positions in 2009 and the increased cost of sales incurred by the Hefty consumer products business which was acquired in November 2010, cost of sales would have increased by $18 million from $877 million for the year ended December 31, 2009 to $895 million for the year ended December 31, 2010. This increase would have been primarily due to increased raw material costs, which increased by approximately $22 million and represented 58% of cost of sales for the year ended December 31, 2009 compared to 59% of cost of sales for the year ended December 31, 2010.

Gross Profit. Gross profit increased by $105 million, or 47%, to $327 million for the year ended December 31, 2010 compared to $222 million for the year ended December 31, 2009, with the gross profit margin for the year ended December 31, 2010 increasing to 24% of the segment s revenue compared to 19% for the year ended December 31, 2009. The increase in gross profit reflects the incremental gross profit of $21 million generated from the operations of the Hefty consumer products business which was acquired as part of the Pactiv Acquisition in November 2010, and takes into effect the negative impact of purchase price accounting adjustments as discussed above. Gross profit and gross profit margin also increased due to the impact of the realized losses associated with the settlement of unfavorable aluminum hedge positions as discussed above.

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Excluding the impact of these items, gross profit margin would have been 26% for the year ended December 31, 2010, consistent with the year ended December 31, 2009. This decrease is primarily due to increased raw material costs that Reynolds Consumer Products has not been able to fully pass through to its customers.

Reynolds Consumer Products gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Reynolds Consumer Products generally cannot immediately pass through price increases or declines to its customers because the contractual price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. For most resin based products, there is a lag time between the purchase of raw materials by Reynolds Consumer Products and the pass-through of raw material price fluctuations to customers. For aluminum based products, contracts with customers do not contain contractual price protection for raw material cost fluctuations. Due to the differences in timing between Reynolds Consumer Products purchases of resin from its suppliers and sales to its customers, there is often a lead-lag impact, during which margins are negatively impacted in periods of rising resin prices and positively impacted in periods of falling resin prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses decreased by $10 million, or 8%, to $116 million for the year ended December 31, 2010 compared to $126 million for the year ended December 31, 2009. The decrease in selling, marketing and distribution expenses and general and administration expenses was primarily due to the costs incurred in the year ended December 31, 2009 related to the transition from Alcoa s systems, networks and services to those of Reynolds Consumer Products and costs related to a flood at one of the segment s locations, partially offset by additional expenses of $17 million attributable to the Hefty consumer products business.

Other. Net other income decreased by $92 million to $3 million net other income compared to $95 million net other income for the year ended December 31, 2009. The decrease in other income reflects a decrease of $100 million in unrealized gains on open aluminum hedge positions and a decrease of $9 million in restructuring costs associated with plant rationalizations.

Profit from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, profit from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $214 million, $276 million and $299 million, respectively, compared to $191 million, $254 million and $280 million, respectively, for the year ended December 31, 2009.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Reynolds Consumer Products segment is as follows:

	For the Year Ended December 31,	
	2010(1)	**2009(2)**
	(In $ million)	
Profit from operating activities	**214**	**191**
Depreciation and amortization	62	63
EBITDA	**276**	**254**
Included in Reynolds Consumer Products segment EBITDA:		
Adjustment related to settlement of a lease obligation	(2)	
Elimination of historical Reynolds hedging policy		91
Impact of purchase price accounting on inventories	25	
Loss on sale of Baco assets		1
Manufacturing plant flood impact		5
Operational process engineering-related consultancy costs	6	
Plant realignment costs		2
Restructuring costs (recoveries)	(4)	5
Transition costs		24
Unrealized gain on derivatives	(2)	(102)
Reynolds Consumer Products segment Adjusted EBITDA	**299**	**280**

(1) Represents the results of operations of Reynolds Consumer Products for the full year ended December 31, 2010 which includes the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of Reynolds Consumer Products for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds consumer products business and does not include the results of operations for the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

Pactiv Foodservice Segment

	For the Year Ended December 31,					
	2010(1)	**% of Segment Revenue**	**2009(2)**	**% of Segment Revenue**	**Change**	**% Change**
	(In $ million, except for %)					

Segment revenue	924	100%	739	100%	185	25%
Cost of sales	(859)	93%	(692)	94%	(167)	24%
Gross profit	65	7%	47	6%	18	38%
Selling, marketing and distribution expense/General and administration expense	(80)	(9)%	(50)	(7)%	(30)	60%
Net other income (expense)	(26)	(3)%	5	1%	(31)	NM
Profit (loss) from operating activities	(41)	(4)%	2	%	(43)	NM
Pactiv Foodservice segment EBITDA	17	2%	54	7%	(37)	(69)%
Pactiv Foodservice segment Adjusted EBITDA	81	9%	60	8%	21	35%

(1) Represents the results of operations of Pactiv Foodservice for the full year ended December 31, 2010 which includes the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

(2) Represents the results of operations of Pactiv Foodservice for the full year ended December 31, 2009, which consists of the results of operations for the Reynolds foodservice packaging business and does not include the results of operations for the Pactiv foodservice packaging business acquired in November 2010 as part of the Pactiv Acquisition.

We acquired Pactiv on November 16, 2010. The operating results of the Pactiv foodservice packaging business have been included within the Pactiv Foodservice segment since the consummation of the Pactiv Acquisition. For the period from November 16, 2010 to December 31, 2010, the Pactiv foodservice packaging business revenues, cost of sales, selling, marketing and distribution expenses/general and administration expenses, loss from operating activities, loss before interest, taxes, depreciation and amortization and Adjusted EBITDA included in the Pactiv Foodservice segment for 2010 were $304 million, $288 million, $34 million, $38 million, $9 million and $49 million, respectively.

Revenue. Revenue increased by $185 million, or 25%, to $924 million for the year ended December 31, 2010 compared to $739 million for the year ended December 31, 2009. This increase was largely attributable to $304 million of incremental revenue generated from foam, tableware, and specialty products generated from the operations of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010. Prior to this acquisition, none of these products were offered by the Reynolds foodservice packaging business. Clear plastics, paper and aluminum product offerings were also significantly expanded as a result of the Pactiv Acquisition. Excluding the incremental revenue associated with the Pactiv Acquisition, revenue decreased by $118 million due to a decline in revenue of $76 million due to the sale of Pactiv Foodservice s envelope window film business in January 2010, $69 million due to lower sales volume resulting from planned exits from non-core and lower margin products in 2009, and an overall decrease in demand of $39 million due to depressed market conditions in the United States. These decreases were partially offset by improved pricing of $66 million from the flow-through of resin price increases to customers.

Cost of Sales. Cost of sales increased by $167 million, or 24%, to $859 million for the year ended December 31, 2010 compared to $692 million for the year ended December 31, 2009. The increase is primarily attributable to the incremental cost of sales of $288 million incurred by the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010, including the negative impact of $38 million related to the fair value adjustment of inventories acquired which were subsequently sold in the normal course of business.

Excluding the incremental cost of sales incurred by the Pactiv foodservice packaging business, cost of sales decreased by $121 million, primarily as a result of the sale of Pactiv Foodservice s envelope window film business in January 2010 and exits from non-core and lower margin products.

Pactiv Foodservice experienced increases in the purchase price of raw materials, primarily resin and aluminum, for the year ended December 31, 2010 compared to the year ended December 31, 2009. However, raw material costs accounted for 61% and 65% of Pactiv Foodservice s cost of sales, respectively, for the same periods. This decrease in raw material costs as a percentage of cost of sales is primarily attributable to increased depreciation and amortization expense as a result of increases in the fair values of property, plant and equipment that were acquired as part of the Pactiv Acquisition. Raw material costs for the year ended December 31, 2010 increased by $77 million compared to the year ended December 31, 2009, primarily due to $141 million of incremental raw material costs incurred by the Pactiv foodservice packaging business, partially offset by a $64 million decrease in raw material costs as a result of the sale of Pactiv Foodservice s envelope window film business in January 2010 and the exit from non-core and lower margin products.

Gross Profit. Gross profit increased by $18 million, or 38%, to $65 million for the year ended December 31, 2010 compared to $47 million for the year ended December 31, 2009, with gross profit margin for the year ended December 31, 2010 increasing to 7% of the segment s revenue compared to 6% for the year ended December 31, 2009. This increase in gross profit was largely attributable to $15 million of incremental gross profit generated from the operations of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010. The gross profit margin impact attributable to the Pactiv foodservice packaging business includes a negative impact of $38 million related to the fair value adjustment of inventories acquired which were subsequently sold in the normal course of business.

Excluding the impact from this fair value adjustment in inventories acquired, gross profit margin would have increased by $56 million, or 119%, to $103 million for the year ended December 31, 2010 compared to $47 million for the year ended December 31, 2009. Gross profit margin would have increased to 11% of the segment s revenue for the year ended December 31, 2010 compared to 6% for the year ended December 31, 2009.

Excluding the incremental gross profit associated with the Pactiv foodservice packaging business that was acquired as part of the Pactiv Acquisition in November 2010, gross profit would have increased by $3 million and gross profit margin would have increased to 8% of the segment s revenue for the year ended December 31, 2010 compared to 6% for the year ended December 31, 2009. This increase would have been driven by productivity efficiencies and the exit from lower margin products as discussed above.

Pactiv Foodservice s gross profit has been in the past, and will continue to be in the future, impacted by changes in the costs of raw materials, including resin and aluminum. Pactiv Foodservice generally cannot immediately pass through price increases or declines to its customers because the price adjustments do not occur simultaneously with market price fluctuations, but rather on a mutually agreed upon schedule. Due to the differences in timing between Pactiv Foodservice s purchases of raw materials from its suppliers and sales to its customers, there is often a lead-lag impact, with margins being negatively impacted in periods of rising raw material prices and positively impacted in periods of falling raw material prices.

Selling, Marketing and Distribution Expenses/General and Administration Expenses. Selling, marketing and distribution expenses and general and administration expenses increased by $30 million, or 60%, to $80 million for the year ended December 31, 2010 compared to $50 million for the year ended December 31, 2009. The increase in selling, marketing and distribution expenses and general and administration expenses was primarily due to additional expenses of $34 million attributable to the operations of the Pactiv foodservice packaging business, which was partially offset by benefits from previously implemented restructuring programs related to headcount reductions.

Other. Net other expenses increased by $31 million to $26 million net other expense compared to $5 million net other income for the year ended December 31, 2009. The increase in other expenses was mainly attributed to an increase of $28 million in impairment charges, comprised of $23 million in impairment charges related to plant closures attributable to the integration of the Pactiv foodservice packaging business which was acquired as part of the Pactiv Acquisition in November 2010, $7 million in impairment charges on assets classified as held-for-sale, a decrease of $12 million of unrealized gains on open hedge positions of aluminum and resin due to changes in fair value and an increase of $7 million related to the termination of redundant supply agreements. This was partially offset by a decrease of $10 million in severance expense as part of a restructuring initiative and an increase of $8 million resulting from a gain on sale of a business.

Loss from Operating Activities, EBITDA and Adjusted EBITDA. As a result of the above factors, loss from operating activities, EBITDA and Adjusted EBITDA for the year ended December 31, 2010 were $41 million, $17 million and $81 million, respectively, compared to a profit from operating activities of $2 million, EBITDA of $54 million and Adjusted EBITDA of $60 million for the year ended December 31, 2009.

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EBITDA/Adjusted EBITDA Reconciliation

The reconciliation of profit (loss) from operating activities to EBITDA and Adjusted EBITDA for the years ended December 31, 2010 and December 31, 2009 for the Pactiv Foodservice segment is as follows:

	For the Year Ended December 31,	
	2010	2009
	(In $ million)	
Profit (loss) from operating activities	**(41)**	**2**
Depreciation and amortization	58	52
EBITDA	**17**	**54**
Included in Pactiv Foodservice segment EBITDA:		
Asset impairment charges	29	1
Elimination of the effect of the historical Reynolds Consumer hedging policy		4
Gain on sale of businesses and investment properties	(8)	
Impact of purchase price accounting on inventories	38	
Inventory write-off arising on restructure		5
Restructuring costs (recoveries)	(1)	9
Termination of supply agreement	7	
Unrealized gain on derivatives	(1)	(13)
Pactiv Foodservice segment Adjusted EBITDA	**81**	**60**

Differences Between the RGHL Group and Beverage Packaging Holdings Group Results of Operations

There are certain differences between the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements, each included elsewhere in this prospectus. The Beverage Packaging Holdings Group consists of BP I, BP I s consolidated subsidiaries and BP II.

RGHL is a non-operating holding company. Consequently, there are no differences between the revenue and gross profit amounts presented in the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements. The differences in the reported profit (loss) before income tax between the RGHL Group s financial statements and the Beverage Packaging Holdings Group s financial statements are primarily due to related party interest income and expenses that are recognized by RGHL, intercompany amounts between RGHL and the members of the Beverage Packaging Holdings Group that eliminate on consolidation of the RGHL Group, foreign exchange movements on the related party balances of RGHL and incidental RGHL corporate expenses.

Differences between the RGHL Group s balance sheet and Beverage Packaging Holdings Group s balance sheet are primarily attributable to the related party receivables and borrowings of RGHL.

Liquidity and Capital Resources

Historical Cash Flows

The following table discloses the RGHL Group s cash flows from continuing operations for the periods presented:

	For the Year Ended December 31,		
	2011(1)	2010(2)	2009(3)
	(In $ million)		
Net cash flows from operating activities	443	383	770
Net cash used in investing activities	2,502	(4,588)	(135)
Net cash flows from (used in) financing activities	2,006	4,345	(501)

(1) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the results of Graham Packaging from September 8, 2011 to December 31, 2011 and the results of Dopaco from May 2, 2011 to December 31, 2011.

(2) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the results of operations of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(3) Represents the results of operations of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

Cash Flow from Operating Activities

Cash flows from operating activities for the year ended December 31, 2011 generated a net cash inflow of $443 million compared to a net cash inflow of $383 million for the year ended December 31, 2010. The increase in cash flow from operating activities was driven by an increase in cash received from customers less cash paid to suppliers and employees of $455 million, lower change of control and other acquisition costs during 2011 compared to 2010 and lower tax related payments during 2011 compared to 2010. These increases were partially offset by a $552 million increase in interest payments due to an overall increase in our borrowings to fund the Graham Packaging Acquisition and the Pactiv Acquisition. The increase in the net cash received from customers, suppliers, and employees of $455 million is attributable to additional cash inflow from the inclusion of Pactiv, Graham Packaging and Dopaco that was partially offset by payments related to restructuring, business integration and operational process engineering costs as well as higher raw material costs within the legacy businesses. The change of control and other acquisition costs for 2011 related to the Graham Packaging Acquisition and the Dopaco Acquisition and the change of control and other acquisition costs for 2010 related to the Pactiv Acquisition.

Cash flows from operating activities for the year ended December 31, 2010 generated a net cash inflow of $383 million compared to $770 million for the year ended December 31, 2009. The $387 million decrease in cash inflow reflects the impact of changes of $23 million in our working capital position as well as additional interest and tax payments of $206 million during the year ended December 31, 2010, compared to the year ended December 31, 2009. The Pactiv Acquisition resulted in a reduction in cash flows from operating activities of $171 million due to change of control payments. The increase in interest payments is due to the overall increase in our borrowings.

Cash Flow used in Investing Activities

Cash flows used in investing activities for the year ended December 31, 2011 resulted in a net cash outflow of $2,502 million compared to $4,588 million for the year ended December 31, 2010. The decrease in cash outflow was driven by the size of the business acquisitions during 2011 and 2010. The Pactiv Acquisition in 2010 was for cash consideration (net of cash acquired) of $4,361 million compared to the 2011 acquisitions of Graham Packaging for cash consideration (net of cash acquired) of $1,651 million and Dopaco for cash

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consideration (net of bank overdraft acquired) of $397 million. The cash flow used in investing activities for the year ended December 31, 2010 also includes proceeds of $32 million related to the sale of the envelope window film business and cash outflows of $25 million related to the acquisition of CSI Americas and $46 million related to the purchase of the Whakatane paper mill.

Capital expenditures increased by $183 million to $520 million for the year ended December 31, 2011 compared to 2010. The increase was primarily related to additional capital expenditures from the Pactiv Acquisition and the Graham Packaging Acquisition as well as higher spending at our SIG segment primarily to expand manufacturing capacity in Brazil and China. Refer also to Capital Expenditures for additional information regarding expenditures on property, plant and equipment and intangible assets.

Cash flows used in investing activities for the year ended December 31, 2010 resulted in a net cash outflow of $4,588 million compared to $135 million for the year ended December 31, 2009. The increase in net cash outflows from investing activities is principally due to the Pactiv Acquisition for total consideration, net of cash acquired, of $4,361 million and an increase of $45 million in capital expenditures.

Cash Flow from (used in) Financing Activities

Cash flows from financing activities for the year ended December 31, 2011 resulted in a net cash inflow of $2,006 million compared to a net cash inflow of $4,345 million for the year ended December 31, 2010. The decrease in cash inflow was primarily driven by the drawdowns and repayments of our external borrowings that were used to fund our acquisitions in 2011 compared to 2010. Refer to note 25 of the RGHL Group s audited financial statements for the year ended December 31, 2011 included elsewhere in this prospectus for details related to each of our borrowings.

Cash flows from financing activities for the year ended December 31, 2010 resulted in a net cash inflow of $4,345 million compared to a net cash outflow of $501 million in the year ended December 31, 2009. Cash flows from financing activities for the year ended December 31, 2010 consisted principally of (i) $317 million of payments pertaining to debt issuance costs related to the RGHL Transaction and the Evergreen Transaction and fees associated with the debt commitment letter entered into in connection with the Pactiv Transaction and (ii) drawdown of borrowings of $6,822 million that was partially offset by a payment of $1,958 million for the acquisition of businesses under common control, specifically the Evergreen Acquisition excluding the Whakatane paper mill and the Reynolds Foodservice Acquisition. The borrowings were also utilized to partially fund the Pactiv Acquisition.

Capital Expenditures

	For the Year Ended December 31,		
	2011(1)	**2010(2)**	**2009(3)**
		(In $ million)	
Property, plant and equipment	(511)	(319)	(244)
Intangibles	(9)	(18)	(48)
Total Capital Expenditures	**(520)**	**(337)**	**(292)**

(1)

Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2011, the capital expenditures of Graham Packaging from September 8, 2011 to December 31, 2011 and the capital expenditures of Dopaco from May 2, 2011 to December 31, 2011.

(2) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2010. Reynolds Consumer Products and Pactiv Foodservice include the capital expenditures of the Hefty consumer products and Pactiv foodservice packaging businesses, respectively, for the period from November 16, 2010 to December 31, 2010.

(3) Represents the capital expenditures of SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice for the full year ended December 31, 2009.

Capital expenditures increased by $183 million, or 54%, to $520 million for the year ended December 31, 2011 compared to $337 million for the year ended December 31, 2010. The increase was primarily related to additional capital expenditures from the Pactiv Acquisition and the Graham Packaging Acquisition as well as higher spending at our SIG segment primarily to expand manufacturing capacity in Brazil and China.

Capital expenditures increased by $45 million or 15% to $337 million for the year ended December 31, 2010 compared to $292 million for the year ended December 31, 2009, largely due to higher spending at the SIG and Closures segments as we expanded manufacturing capacity in Brazil, India, the Philippines and China.

Capital Resources

We have substantial debt and debt service obligations. As of December 31, 2011, our indebtedness totaled $17,471 million. As of December 31, 2011, after giving pro forma effect to the 2012 Refinancing Transactions, we would have had $18,084 million of outstanding indebtedness and our 2012 annual cash interest obligations on our Senior Secured Credit Facilities, the notes, and our other indebtedness are expected to be $1,450 million.

We have pledged assets that secure the senior secured notes and the Senior Secured Credit Facilities. The collateral consists of substantially all the assets of the Issuers and the guarantors, including the capital stock of their subsidiaries, real property, bank accounts, investments, receivables, equipment and inventory, intellectual property and insurance policies, but excluding, among others (i) real property with a value equal to or less than 5 million or in which such entity has only a leasehold interest, (ii) a number of Pactiv s real properties, which are estimated to have a book value as of December 31, 2011 of approximately $74 million, (iii) intellectual property with a value of less than 1 million (unless subject to all-asset security documents), (iv) insurance policies that are not material to the RGHL Group as a whole, (v) equity of inactive subsidiaries with a book value of less than $100,000 and (vi) equity of subsidiaries that are not guarantors, are organized in jurisdictions in which no guarantor is organized and have (x) gross assets below 1% of the consolidated total assets of the RGHL Group and (y) EBITDA below 1% of the consolidated EBITDA of the RGHL Group.

As of December 31, 2011, the Senior Secured Credit Facilities included revolving facilities of $120 million and 80 million ($104 million). As of December 31, 2011, these revolving tranches were utilized in the amount of $85 million and 17 million ($22 million) in the form of letters of credit.

On August 9, 2011, certain members of the RGHL Group issued $1,500 million principal amount of the August 2011 Senior Secured Notes and $1,000 million principal amount of the August 2011 Senior Notes. The proceeds of the August 2011 Notes were held in escrow until the closing of the Graham Packaging Acquisition.

On August 9, 2011, we amended the Senior Secured Credit Facilities. Pursuant to the amendments we received commitments for an additional $2,000 million of incremental term loans which were drawn on the closing of the Graham Packaging Acquisition. In addition, certain terms of the credit agreement were amended, including but not limited to: (a) the LIBOR floor on the existing US Term Loans of $2,313 million increased from 1% to 1.25% per annum; (b) the applicable margin on the existing US Term Loans increased from 3.25% to 5.25% per annum and from 3.5% to 5.25% per annum on the 249 million European Term Loans; and (c) a 1% prepayment premium will apply in the case of refinancings and certain pricing amendments within a specified timeframe.

We used the proceeds from the issuance of the August 2011 Notes, together with the funds from the New Incremental Senior Secured Credit Facilities and available cash, to finance the Graham Packaging Acquisition, repay certain existing indebtedness of Graham Packaging and to pay related fees and expenses.

On October 20, 2011, we repurchased $239 million aggregate principal amount of the Graham Packaging 2017 Notes and $231 million aggregate principal amount of the Graham Packaging 2018 Notes pursuant to the Graham Packaging Change of Control Offer.

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On February 15, 2012, certain members of the RGHL Group issued $1,250 million aggregate principal amount of the February 2012 Notes. The February 2012 Notes will mature on August 15, 2019. The net proceeds from the offering of the February 2012 Notes were used to refinance the $14 million outstanding aggregate principal amount of the Graham Packaging 2017 Notes, the $19 million outstanding aggregate principal amount of the Graham Packaging 2018 Notes, the $355 million outstanding aggregate principal amount of the Graham Packaging Senior Subordinated Notes and the $249 million outstanding aggregate principal amount of the Pactiv 2012 Notes and pay fees associated with the early repayment of these notes by depositing funds, on February 15, 2012, with the trustees of the Graham Packaging Notes and of the Pactiv 2012 Notes, respectively, to satisfy and discharge their obligations pursuant to the indentures governing these notes. In addition, the issuers of the Graham Packaging Notes and of the Pactiv 2012 Notes redeemed such notes on March 16, 2012. RGHL intends to use the remaining net proceeds from the offering of the February 2012 Notes for general corporate purposes.

We may from time to time seek to issue additional indebtedness depending on market conditions, our cash position requirements and other considerations.

In addition, we may from time to time take steps to reduce our indebtedness, which may include open market repurchases and retirement of currently outstanding indebtedness. The total amount of indebtedness that will be repurchased or retired will depend on market conditions, our cash position requirements and other considerations.

Sources of Liquidity

Our sources of liquidity for the future are expected to be our existing cash resources, cash flows from operations, drawings under the revolving credit facilities of our Senior Secured Credit Facilities and local working capital facilities. In addition to our cash and cash equivalents, as of December 31, 2011, we had $35 million and 63 million ($82 million) available for drawing under our revolving credit facilities.

Our ability to borrow under our revolving credit facilities or our other local working capital facilities may be limited by the terms of such indebtedness or other indebtedness (including the notes and the 2007 Notes), including as a result of financial maintenance covenants.

As of December 31, 2011, after giving pro forma effect to the 2012 Refinancing Transactions, we would have had $18,084 million of outstanding indebtedness. Our 2012 annual cash interest obligations on our Senior Secured Credit Facilities, the notes, and our other indebtedness are expected to be $1,450 million. The proceeds of certain of the notes and borrowings under the Senior Secured Credit Facilities were mainly used to finance a series of acquisitions, which included the acquisitions of entities ultimately owned by our strategic owner, Mr. Graeme Hart, which we now own. This series of acquisitions grew our business and we have benefited and expect to continue to benefit from synergies from the transactions. We expect to meet our debt service obligations with our existing cash resources and cash flows from operations, which we believe will be adequate to meet our obligations for the next year. Refer to note 25 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus, for details related to our debt and related repayment terms.

Under the indentures governing the notes and the 2007 Notes, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Indebtedness may be incurred under the incurrence tests if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis and, (i) under the indentures that govern our senior secured notes, the liens securing first lien secured indebtedness do not exceed a 3.50 to 1.00 senior secured leverage ratio and (ii) under the indentures that govern our senior notes and the 2007 Notes, the liens securing any secured indebtedness do not exceed a 4.50 to 1.00 secured leverage ratio.

Under the credit agreement governing the Senior Secured Credit Facilities, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of $750 million subject to pro forma compliance with the Senior Secured Credit Facilities financial covenants. In addition, we may incur incremental senior secured indebtedness under the Senior Secured Credit Facilities and senior secured notes in an unlimited amount so long as our senior secured leverage ratio does not exceed 3.50 to 1.00 on a pro forma basis and (in the case of incremental senior secured indebtedness under the Senior Secured Credit Facilities only) we are in pro forma compliance with the Senior Secured Credit Facilities financial covenants. The incurrence of unsecured indebtedness, including the issuance of senior notes, and unsecured subordinated indebtedness is also permitted subject to pro forma compliance with the Senior Secured Credit Facilities financial covenants.

Under the credit agreement governing the Senior Secured Credit Facilities, we are subject to maintenance covenants, including a requirement to maintain a specified net senior secured leverage ratio and a specified interest coverage ratio for specified periods. As of the last day of each fiscal quarter, our net senior secured leverage ratio must be less than or equal to 4.00 to 1.00. As of the last day of each fiscal quarter, our interest coverage ratio, calculated based on the trailing four consecutive fiscal quarters, must be greater than or equal to the ratio set forth opposite the period during which such fiscal quarter ends below:

Period	**Ratio**
Through December 31, 2011	1.60 to 1.00
January 1, 2012 through December 31, 2012	1.65 to 1.00
January 1, 2013 through December 31, 2013	1.70 to 1.00
January 1, 2014 through December 31, 2014	1.75 to 1.00
January 1, 2015 through December 31, 2015	1.80 to 1.00
January 1, 2016 through December 31, 2016	1.85 to 1.00
January 1, 2017 through December 31, 2017	1.90 to 1.00
Thereafter	1.95 to 1.00

As of December 31, 2011 after giving pro forma effect to the 2012 Refinancing Transactions, our net senior secured leverage ratio was 3.55x and our interest coverage ratio was 1.97x as calculated for purposes of the maintenance covenants under the credit agreement governing the Senior Secured Credit Facilities.

The indentures governing the notes and the 2007 Notes and the credit agreement governing the Senior Secured Credit Facilities also contain negative covenants. The negative covenants include limitations, subject to agreed exceptions, on the ability of RGHL and its material subsidiaries to: incur additional indebtedness (including guarantees); incur liens; enter into sale and lease-back transactions; make investments, loans and advances; implement mergers, consolidations and sales of assets; make restricted payments or enter into restrictive agreements; enter into transactions with affiliates on non-arm s length terms; change the business conducted by RGHL and its subsidiaries; prepay, or make redemptions and repurchases of specified indebtedness; amend certain material agreements governing specified indebtedness; make certain amendments to the organizational documents of RGHL and its material subsidiaries; change RGHL s fiscal year; and conduct an active business in the case of RGHL and BP II.

The indentures governing the notes and the 2007 Notes and the credit agreement governing the Senior Secured Credit Facilities generally allow subsidiaries to freely transfer funds in the form of cash dividends, loans or advances within the RGHL Group.

We believe that our cash flows from operations and our existing available cash, together with our other available external financing sources, will be adequate to meet our future liquidity needs for the next year. We are currently in compliance with the covenants under our Senior Secured Credit Facilities and our other outstanding indebtedness (including the notes and the 2007 Notes). We expect to incur approximately $650 million in capital expenditures by the end of 2012 (excluding acquisitions) largely to support plant expansions in Brazil, China and Indonesia. This expected spending includes committed obligations of $106 million. We expect to fund these expenditures with cash flows from operations. Actual capital expenditures may differ. We expect to remain in compliance with our covenants.

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We also expect to incur cash outlays of approximately $34 million by the end of 2012 to integrate Dopaco into the Pactiv Foodservice segment and $72 million by the end of 2013 to integrate Graham Packaging into the RGHL Group.

Our future operating performance and our ability to service or refinance the Senior Secured Credit Facilities, the notes and the 2007 Notes and other indebtedness, are subject to economic conditions and financial, business and other factors, many of which are beyond our control.

Contractual Obligations

The following table summarizes our material obligations as of December 31, 2011:

	Payments Due by Period as of December 31, 2011				
	Total	**Less than One Year**	**One to Three Years**	**Three to Five Years**	**Greater than 5 Years**
			(In $ million)		
Trade and other payables	1,758	1,758			
Debt and interest(1)	26,617	1,879	3,453	5,841	15,444
Operating leases	441	111	158	89	83
Unconditional capital expenditure obligations(2)	106	106			
Total contractual cash obligations	**28,922**	**3,854**	**3,611**	**5,930**	**15,527**

(1) Total repayments of financial liabilities consist of the principal amounts, fixed and floating rate interest obligations and the cash flows associated with commodity and other derivative instruments. The interest rate on the floating rate debt balances has been assumed to be the same as the rate during the month of December 2011. Both the one-month LIBOR and EURIBOR rates during the month of December 2011 were below the floor rates established in accordance with the respective agreements.

(2) Unconditional capital expenditure obligations primarily relate to (1) the integration of Graham Packaging within the RGHL Group, (2) plant expansions at our SIG segment primarily in Brazil and China and (3) plant expansions at our Graham Packaging segment primarily in Brazil, Indonesia and China.

The following table summarizes our contractual obligations on a pro forma basis as of December 31, 2011 after giving effect to the 2012 Refinancing Transactions:

	Pro Forma Payments, Due by Period, as of December 31, 2011				
		Less than	**One to**	**Three to**	**Greater than**

	Total	One Year	Three Years (In $ million)	Five Years	5 Years
Trade and other payables	1,758	1,758			
Debt and interest(1)	28,266	1,444	2,919	5,783	18,120
Operating leases	441	111	158	89	83
Unconditional capital expenditure obligations(2)	106	106			
Total contractual cash obligations	**30,571**	**3,419**	**3,077**	**5,872**	**18,203**

(1) Total repayments of financial liabilities consist of the principal amounts, fixed and floating rate interest obligations and the cash flows associated with commodity and other derivative instruments. The interest rate on the floating rate debt balances has been assumed to be the same as the rate during the month of December 2011. Both the one month LIBOR and EURIBOR rates during the month of December 2011 were below the floor rates established in accordance with the respective agreements.

(2) Unconditional capital expenditure obligations primarily relate to (1) the integration of Graham Packaging within the RGHL Group, (2) plant expansions at our SIG segment primarily in Brazil and China and (3) plant expansions at our Graham Packaging segment primarily in Brazil, Indonesia and China.

Contingent Liabilities

Our contingent liabilities are primarily comprised of guarantees given to banks granting credit facilities to our joint venture company SIG Combibloc Obeikan Company Limited, in Riyadh, Kingdom of Saudi Arabia.

Off-Balance Sheet Arrangements

Other than operating leases entered into in the normal course of business, we currently have no material off-balance sheet obligations.

Qualitative and Quantitative Disclosures about Market Risk

In the normal course of business we are subject to risks from adverse fluctuations in interest and foreign exchange rates and commodity prices. We manage these risks through a combination of an appropriate mix between variable rate and fixed rate borrowings and natural offsets of foreign currency receipts and payments, supplemented by forward foreign exchange contracts and commodity derivatives. Derivative contracts are not used for trading or speculative purposes. The extent to which we use derivative instruments is dependent upon our access to them in the financial markets and our use of other risk management methods, such as netting exposures for foreign exchange risk and establishing sales arrangements that permit the pass through to customers of changes in commodity prices. Our objective in managing our exposure to market risk is to limit the impact on earnings and cash flow.

Interest Rate Risk

We had significant debt commitments outstanding as of December 31, 2011. These on-balance sheet financial instruments, to the extent they accrue interest at variable interest rates, expose us to interest rate risk. Our interest rate risk arises primarily on significant borrowings that are denominated in dollars and euro that are drawn under our Senior Secured Credit Facilities. As of December 31, 2011, these agreements included an interest rate floor of (i) 2% per annum on U.S. revolving loans, (ii) 1.25% per annum on U.S. term loans, (iii) 2% per annum on European revolving loans and (iv) 1.5% per annum on European term loans.

The underlying one-month LIBOR and EURIBOR rates as of December 31, 2011 were 0.24% and 1.01%, respectively. Based on liabilities held as of December 31, 2011, a one-year time frame and all other variables, in particular foreign exchange rates, remaining constant, a 1% increase in interest rates would have no impact on the interest expense on the U.S. term loans due to the LIBOR floor under our Senior Secured Credit Facilities, however, a 1% increase in interest rates would have a $3 million impact on the interest expense on the European term loans under our Senior Secured Credit Facilities. Conversely, a 1% decrease in interest rates would have no impact on our interest expense on these borrowings due to the LIBOR and EURIBOR floors under our Senior Secured Credit Facilities.

We have adopted a policy, which is consistent with the covenants under the Senior Secured Credit Facilities, to ensure that at least 50% of our overall exposures to changes in interest rates on borrowings are on a fixed rate basis.

Foreign Currency Exchange Rate Risk

As a result of our international operations, we are exposed to foreign exchange risk arising from sales, purchases, assets and borrowings that are denominated in foreign currencies. The currencies in which these transactions primarily are denominated are the euro, Swiss franc, Thai baht, Chinese yuan renminbi, Brazilian real, British pound, Japanese yen, Mexican peso, Canadian dollar, Polish zloty and New Zealand dollar.

In accordance with our treasury policy, we take advantage of natural offsets to the extent possible. Therefore, when commercially feasible, we borrow in the same currencies in which cash flows from operations are generated. Generally we do not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate we may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions. As of December 31, 2011, we had no significant forward foreign exchange contracts outstanding.

We generally do not hedge our exposure to translation gains or losses in respect of our non-dollar functional currency assets or liabilities.

Our primary exposure to foreign exchange risk is on the translation of net assets of entities within the RGHL Group which are denominated in functional currencies other than the dollar, which is the RGHL Group s reporting currency. The net asset impact of movements in exchange rates is therefore recognized primarily in other comprehensive income. See note 29 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus, for further information on the RGHL Group s financial assets and liabilities with foreign exchange risk, the potential impact on future payments and receipts and the sensitivity to changes in the applicable foreign exchange rates.

We are also exposed to foreign exchange risk that impacts the reported financial income or financial expenses of the RGHL Group as a result of the remeasurement, at each balance sheet date, of indebtedness that is denominated in currencies other than the functional currencies of the respective issuers or borrowers. As of December 31, 2011, we had dollar denominated external borrowings of $1,583 million held by entities whose functional currency is the euro. As a result of the changes in the prevailing foreign exchange rates since December 31, 2010, we recognized a foreign exchange loss of $50 million in connection with such borrowings. The continued change in the foreign exchange rate between the dollar and the euro will result in us recognizing either foreign exchange gains or losses on the translation of this indebtedness in the future. A 1% increase in the exchange rates, applied as of December 31, 2011, would have resulted in additional foreign currency gain of $16 million, while a 1% decrease would have resulted in a reduction of $16 million of the reported foreign currency gain.

In addition, we are also exposed to foreign currency risk on certain intercompany borrowings between certain of our entities with different functional currencies. Such exposures in aggregate are neither significant nor material.

Commodity Risk

We are exposed to commodity and other price risk principally from the purchase of resin, natural gas, electricity, raw cartonboard, aluminum and steel. We use various strategies to manage cost exposures on certain raw material purchases with the objective of obtaining more predictable costs for these commodities. We generally enter into commodity financial instruments or derivatives to hedge commodity prices related to resin, aluminum and natural gas.

We enter into resin futures, aluminum swaps and natural gas swaps to hedge our exposure to price fluctuations. We believe these contracts manage our price risk by reference to the difference between the fixed contract price and the market price. The following table provides the details of our outstanding derivative contracts at December 31, 2011.

Type	Unit of Measure	Contracted Volumes	Contracted Price Range	Contracted Date of Maturity
Resin futures	LB	18,000,000	$0.98 - $1.00	Jan 2012 - Dec 2012
Resin futures	MT	10,000	1,420	Jul 2012 - Oct 2012
Resin futures	KL	16,900	JPY 48,100 - 51,700	Jan 2012 - Aug 2012
Aluminum swaps	MT	29,171	$1,940 - $2,816	Jan 2012 - Dec 2014
Natural gas swaps	MMBTU	2,742,627	$3.33 - $4.88	Jan 2012 - Feb 2013
Ethylene swaps	LB	11,637,600	$0.43 - $0.62	Feb 2012 - June 2012
Benzene swaps	GAL	4,299,389	$3.45 - $3.84	Feb 2012 - June 2012

The fair values of the derivative contracts are based on quoted market prices or traded exchange market prices and represent the estimated amounts that we would pay or receive to terminate the contracts. At December 31, 2011 and at December 31, 2010, the estimated fair values of the outstanding commodity derivative contracts were a net liability of $16 million and a net asset of $1 million, respectively. During the year ended December 31, 2011, we recognized a $26 million unrealized loss in other expenses in the profit or loss component of the statement of comprehensive income related to the outstanding commodity derivatives.

Accounting Principles

Our financial statements are prepared in accordance with IFRS and IFRIC Interpretations as issued by the IASB.

Critical Accounting Policies

Our critical accounting policies are those that we believe are most important to the presentation of our financial position and results and that require the most difficult, subjective or complex judgments. In many cases, the accounting treatment of a particular transaction is specifically dictated by IFRS with no need for the application of judgment. For more information, see note 4 to the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus. In certain circumstances, however, the preparation of our financial statements in conformity with IFRS requires us to use our judgment to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We believe the policies described below are our most critical accounting policies.

Accounting for Business Combinations

Acquisition of Businesses from Third Parties

We account for business combinations, where the business is acquired from an unrelated third party, under the acquisition method of accounting, which requires the acquired assets, including separately identifiable intangible assets, and assumed liabilities to be recorded as of the acquisition date at their respective fair values. Any excess of the purchase price over the fair value of assets, including separately identifiable intangible assets and liabilities acquired, is allocated to goodwill. Goodwill is allocated to the appropriate segments which benefited from the business combination when the goodwill arose.

The allocation of the purchase price to the fair value of acquired assets and liabilities involves assessments of the expected future cash flows associated with individual assets and liabilities and appropriate discount rates as of the date of the acquisition. Where appropriate, we consult with external advisors to assist with the determination of fair value. For non-observable market values, fair value has been determined using accepted valuation principles (e.g., relief from royalty method). Subsequent changes in our assessments may trigger an impairment loss that would be recognized in the statement of comprehensive income.

Goodwill and acquired indefinite life intangible assets are not amortized. Other acquired intangible assets with finite lives are amortized on a straight line basis over the period of expected benefit. For more information, see note 3.9(e) and (g) to the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

The results of operations for businesses acquired are included in our financial statements from the date of acquisition.

On September 8, 2011, we acquired Graham Packaging for a total enterprise value, including net debt, of $4.5 billion. In respect of this acquisition, we believe that the key areas of subjectivity in allocating the purchase consideration involve determining the acquisition date fair value of identifiable intangible assets and property, plant and equipment.

Management has identified separately identifiable intangible assets in existence as of the date of acquisition. Using market participant assumptions and recognized valuation techniques, provisional values have been determined for these intangible assets. These valuation techniques require various assumptions including future levels of profitability, assumed royalty rates for relief from royalty valuations, and appropriate discount rates to present value the estimated cash flows. An assessment of useful lives is also required to determine future amortization expense.

The preliminary valuation of separately identifiable intangible assets is $2,374 million. All of the assumptions and the resulting valuation are currently being evaluated by management. We estimate that the effect of a 10% increase, or decrease, in the preliminary valuation of identifiable intangible assets would increase, or decrease, the preliminary valuation by $237 million to $2,611 million or $2,137 million, respectively. Any such increase or decrease would result in a corresponding change in the preliminary value of goodwill. We estimate that an increase or decrease of 10% in the preliminary fair values of all of the acquired identifiable intangible assets would result in a corresponding increase or decrease of $12 million in annual amortization expense. A change in the preliminary useful lives of finite life intangible assets would change amortization expense. We estimate that an increase, or decrease, of one year in the remaining estimated average useful lives of all finite life intangible assets would decrease by $7 million, or increase by $8 million, annual amortization expense, respectively.

The preliminary valuation of property, plant and equipment is $1,401 million. All of the assumptions and the resulting valuation are currently being evaluated by management. We estimate that the effect of a 10% increase, or decrease, in the preliminary valuation of property, plant and equipment would increase, or decrease, the preliminary valuation by $140 million to $1,541 million or $1,261 million, respectively. Any such increase or decrease would result in a corresponding change in the preliminary value of goodwill. We estimate that an increase or decrease of 10% in the preliminary fair values of all of the acquired property, plant and equipment would result in a corresponding increase or decrease of $15 million in annual depreciation expense. A change in the preliminary useful lives of depreciable property, plant and equipment would change depreciation expense. An increase, or decrease, of one year in the remaining estimated average useful lives of all depreciable items of property, plant and equipment would decrease by $22 million, or increase by $36 million, annual depreciation expense, respectively.

Acquisition of Businesses from Entities under Common Control

IFRS is silent on the accounting required for business combinations involving entities that are under common control.

We have chosen to account for business combinations where the business is acquired from an entity that is under the common control of our ultimate shareholder using the carry-over or book value method. Under the carry-over or book value method, the business combination does not change the historical carrying value of the assets and liabilities of the business acquired. The excess of the purchase price over the carrying value of the share capital acquired is recognized directly in equity. No additional goodwill is recognized as a result of these transactions.

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

Between January 31, 2007 and August 1, 2007, entities beneficially owned by Mr. Graeme Hart acquired the businesses that now constitute our Evergreen segment in a series of transactions for $618 million. On May 4, 2010, we acquired the equity of the businesses that now constitute our Evergreen segment from these entities for a total purchase price of $1,612 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

Through a series of acquisitions that occurred from February 29, 2008 to July 31, 2008, certain entities beneficially owned by Mr. Graeme Hart acquired from Alcoa Inc. the businesses that now constitute our Closures segment, our Reynolds consumer products business and our Reynolds foodservice packaging business for a total purchase price of $2.7 billion.

On November 5, 2009, we acquired the equity of the businesses that now constitute our Closures segment for a total purchase price of $708 million and our Reynolds consumer products business for a total purchase price of $984 million from these entities. The purchase price was paid to entities controlled by Mr. Graeme Hart.

On September 1, 2010, we acquired the equity of the businesses that now constitute our Reynolds foodservice packaging business from these entities for a total purchase price of $342 million. The purchase price was paid to entities controlled by Mr. Graeme Hart.

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In each case, the difference between the consideration paid to initially acquire the business from a third-party and the consideration paid by the RGHL Group to acquire the same business from entities that are beneficially owned by Mr. Graeme Hart reflects changes in fair value. The changes in fair value of the net assets acquired plus debt issued from the original purchase price relate to indebtedness assumed as well as changes in the underlying value of the equity of the business. The change in the underlying value of the business relates to the realization of the cost savings initiatives and operational synergies combined with improvements in industry and general market conditions. Cash payments made by us to acquire these businesses either reduced our available cash or increased the principal amount of our outstanding indebtedness.

Employee Benefits

We make contributions to defined benefit pension plans, which define the level of pension benefit an employee will receive on retirement. We operate defined benefit plans in several countries including the United States. We also operate post-employment medical benefit plans in the United States. Amounts recognized under these plans are determined using actuarial methods that require us to make certain assumptions regarding variables such as discount rate, rate of compensation increase, return on assets and future healthcare costs. Where appropriate, we consult with third-party actuaries regarding these assumptions at least annually. Changes in these key assumptions, including the expected rate of return on plan assets and the discount rate, can have a significant impact on our defined benefit obligations, future funding requirements and post-employment benefit costs recognized. While we believe that our assumptions of future returns are reasonable and appropriate, significant differences in actual experience or inaccuracies in assumptions may materially affect our benefit plan obligations and future benefit plan expense. Holding all other assumptions constant, a one-half percentage point increase in the discount rate would decrease the defined benefit obligation by $258 million and increase pre-tax pension income by $7 million. A one-half percentage point decrease in the discount rate would increase the defined benefit obligation by $252 million and decrease pre-tax pension income by $4 million. Similarly, holding all other assumptions constant, a one-half percentage point increase in the expected return on plan assets would increase our pre-tax pension income by $22 million and a one-half percentage point decrease in the expected return on plan assets would decrease our pre-tax pension income by $22 million. For more information, see note 20 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

Impairment of Goodwill, Intangible Assets, Property, Plant and Equipment and Investment Properties

We assess the carrying values of goodwill, identifiable intangible assets, property, plant and equipment and investment properties in accordance with IAS 36, Impairments of Assets. Goodwill and intangibles with indefinite useful lives are assessed for impairment at least annually. Other non-current assets are tested when a trigger event may indicate the existence of impairment. If any such indication of impairment exists, the asset s recoverable amount is determined.

The recoverable amount of an asset is the greater of its fair value less costs to sell such an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing the fair value less costs to sell, the forecasted future EBITDA to be generated by the asset or segment being assessed is multiplied by earnings multiples that reflect recent sales and purchase transactions in the same industry. We consult with external advisors to assist with the determination of these earnings multiples. Recoverable amount is determined either for the asset or CGU or group of CGUs, depending on the nature of the asset tested for impairment. Goodwill is tested at the individual segment level, which is the lowest level within the RGHL Group at which goodwill is monitored for internal management purposes, and our indefinite lived intangible assets are tested at the segment level or lower level group of CGUs, depending on the nature of the intangible asset. For 2009, 2010 and 2011, the recoverability analysis was based on fair value less costs to sell.

In estimating future cash flows, we make estimates with respect to the useful lives of our assets. Changes in circumstances, including the relative cost efficiency of our production facilities, may cause us to change these estimates from time to time. In addition, because these are estimates, the actual useful life of an asset may be different from our estimate.

As of December 31, 2011 and 2010, we had $17,095 million and $12,082 million, respectively, of goodwill, other intangible assets, property, plant and equipment and investment properties recorded on our statement of financial position. We performed our last annual impairment test for goodwill and intangibles with indefinite useful lives for the SIG, Evergreen, Closures, Reynolds Consumer Products and Pactiv Foodservice segments, as of December 31, 2011, and determined that recoverable amounts for these assets were substantially in excess of their carrying values. We did not identify any indicators of impairment as of December 31, 2011. Due to the proximity of the Graham Packaging acquisition date to December 31, 2011 and the fact that there were no impairment indicators, we did not perform the annual impairment test for goodwill and intangibles with indefinite useful lives for Graham Packaging. For additional information related to our policy, refer to note 4.1 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

Income Taxes

We are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. As a result, significant judgment is required in determining our worldwide provision and liability for income taxes. We recognize liabilities for tax issues based on estimates of whether additional taxes will be due and on our interpretation of the relevant tax laws then in effect. In cases where the final outcome of these tax matters is different from the amounts that were initially recorded, the differences impact the current and deferred income tax provision for the period in which the determination is made.

We recognize deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. This is based on estimates of taxable income in each jurisdiction in which we operate and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates in future periods and depending on the tax strategies that we may have been able to implement, changes to the recognition of deferred tax assets could be required, and thus could impact our financial position and results of operations.

Revenue Recognition

We recognize revenue from the sale of goods when the risks and rewards of ownership have transferred to customers which occurs either when products are shipped or when they are delivered and/or installed at a customer location. The recognition of revenue is dependent on the terms of the individual arrangements of a sale. In arriving at net sales, we estimate the amount of deductions from sales that are likely to be earned or taken by customers in conjunction with incentive programs or the amount of consumer incentives to be utilized. These incentives include volume rebates and early payment discounts for consumer programs. In addition, in certain of our businesses, we pay slotting fees and participate in customer pricing programs that provide price discounts to the ultimate end-users of our products in the form of redeemable coupons. Estimates for each of these programs are based on historical and current market trends which are affected by the business seasonality and competitiveness of promotional programs being offered. Estimates are reviewed quarterly for possible revisions. The costs for all such programs are accounted for as a reduction in revenues. In the event that future sales deduction trends vary significantly from past or expected trends, reported sales may increase or decrease by a material amount.

Other

We have made certain other estimates that, while not involving the same degree of judgment as the estimates described above, are important to understanding our financial statements. These estimates are in the areas of measuring our obligations related to our legal and warranty accruals, restructuring accruals and self-insurance accruals.

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, associates 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.

We are currently evaluating the effects of IFRS 10, IFRS 11, IFRS 12 and IFRS 13 on our financial statements.

On June 16, 2011, the IASB published an amendment to IAS 19 Employee Benefits which removes certain options in respect of the accounting for defined benefit employment plans, while introducing certain other new measurement and disclosure requirements. Under the amended standard, the IASB now requires the immediate recognition of all actuarial gains and losses as a component of other comprehensive income, effectively removing the ability to defer and leave unrecognized those amounts that were previously permitted under the corridor method. In connection with this amendment, the IASB has also provided additional guidance on the level of aggregated disclosure permitted when plans with differing criteria are presented on a consolidated basis, while also revising the basis under which finance costs are to be determined in connection with defined benefit plans. In addition to these changes the new standard has also introduced further measures to distinguish between short and long term employee benefits while providing additional guidance on the recognition of termination benefits.

In addition on June 16, 2011, the IASB also published an amendment to IAS 1 Presentation of Financial Statements . Under the amended standard, the IASB requires an entity to present separately amounts recognized in other comprehensive income that are expected to be reclassified to the profit or loss in the future (even if contingent on future events) from those amounts that would never be reclassified. In addition the amendment proposes a change in the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income but allows entities the ability to use other titles.

The requirements of the amended IAS 1 and IAS 19 must be applied to the financial year beginning January 1, 2013, with early adoption permitted. We currently account for our defined benefit post-employment plans using the corridor method. We are currently evaluating the effects of the amendment to IAS 1 and IAS 19 on our financial statements.

BUSINESS

Corporate Information

RGHL s executive offices are located at Level Nine, 148 Quay Street, Auckland 1010 New Zealand, and its telephone number is +64 (9) 366-6259. We have appointed National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904 as our agent for service of process.

History and Development

Reynolds Group Holdings Limited was incorporated under the Companies Act 1993 of New Zealand on May 30, 2006. Reynolds Group Holdings Limited is a holding company that operates through six segments (SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging) that it acquired in a series of transactions. See The Transactions for a description of such acquisition transactions.

Business Overview

Overview

We are a leading global manufacturer and supplier of consumer food, beverage and foodservice packaging products. We are one of the largest consumer food, beverage and foodservice packaging companies in the United States, as measured by revenue, with leading market positions in many of our product lines based on management s analysis of industry data. We operate through six segments: SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging. We sell our products to customers globally, including to a diversified mix of leading multinational companies, large national and regional companies, as well as small local businesses. We primarily serve the consumer food, beverage and foodservice market segments.

For a discussion of financial results by segment for each of the last three financial years, see Operating and Financial Review and Prospects Results of Operations and for a discussion of our capital expenditures for each of the last three financial years, see Operating and Financial Review and Prospects Liquidity and Capital Resources Capital Expenditures.

SIG

SIG is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid food products, ranging from juices and milk to soups and sauces. We believe SIG holds the number two market position in the global aseptic beverage carton market measured by volume based on our analysis of industry data. Aseptic carton packaging, most prevalent in Europe and Asia, is designed to allow beverages or liquid food to be stored for extended periods of time without refrigeration. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services. SIG has a large global customer base with its largest presence in Europe. The following table

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shows total segment revenue by geographic region for SIG for each of the years ended December 31, 2011, 2010 and 2009:

	SIG Revenue by Geographic Region		
	2011	2010	2009
	(In $ million)		
Europe (excluding Germany)	$ 829	$ 776	$ 780
Germany	312	313	337
Asia (excluding China)	310	270	160
China	249	199	167
Middle East	130	121	96
South America	117	79	43
North America	89	88	85
Total	**$ 2,036**	**$ 1,846**	**$ 1,668**

History

SIG s predecessor was established in 1853 as a train car manufacturing plant and has since leveraged its manufacturing expertise to other activities. Combibloc, SIG s system business model, was originally established in Düsseldorf, Germany in 1878 as a paper business. Combibloc entered the liquid packaging business in 1929 when its founder, Ferdinand Jagenberg, developed the first leak-proof liquid paper container. In 1975, Combibloc introduced its aseptic carton packaging system, which became its principal business. In 1989, SIG acquired Combibloc. In 2004, SIG began a series of divestitures of non-core assets in the packaging and beverage segments. In 2007, SIG was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the SIG Acquisition. In 2008, SIG divested its remaining beverage division to focus on aseptic filling and barrier technology as its primary business. On May 4, 2010, Whakatane Mill Limited, a wholly-owned indirect subsidiary of SIG Combibloc, purchased the Whakatane paper mill from Carter Holt Harvey Limited, an indirect wholly-owned subsidiary of Rank Group.

Combibloc Business Model

SIG s Combibloc business model is based on providing aseptic carton packaging filling machines combined with multi-year aseptic carton supply and service relationships. Aseptic cartons are sold to the customer in the form of a sleeve designed to be used exclusively with SIG s aseptic filling machines.

Sleeves, Spouts, Caps and Closures

SIG produces aseptic carton sleeves and spouts, caps and closures for use with its aseptic filling machines. During the filling process the sleeve is opened, sealed at the base, aseptically treated, filled with the aseptically treated beverage or liquid food products and then sealed at the top of the carton.

A key differentiator of SIG s production capability is the broad range of product varieties that can be filled on its systems, in terms of viscosity and particulates. SIG covers a range of markets, including liquid dairy (e.g., milk, cream and soy milk products) and non-carbonated soft drink (e.g., juice, nectar and ice tea). In addition, SIG s aseptic cartons can also be used for liquid food, such as tomato products, soups and broths, sauces, desserts and baby food.

SIG has developed a variety of innovative packaging solutions to help beverage and food manufacturers differentiate their products and generate stronger brand recognition. In the past, SIG s cartons were only produced in the rectangular shape and sold under the Combibloc® trademark, which offered limited potential for manufacturers to differentiate their products. However, SIG s investment in the development of differentiated packaging solutions, sold under the Combifit™ and Combishape® trade names, allows SIG to provide customers with a broad range of solutions. SIG s aseptic filling machines can now fill both the Combibloc and Combifit product lines on the same filling lines.

In recent years, spouts, beverage caps and closures have become a crucial factor in the success of aseptic carton packaging systems as end-consumers demand greater convenience. SIG recognized this trend at an early stage and, in 1993, it was the first company to introduce a reclosable spout for aseptic beverage cartons. This development has resulted in increased demand for products with a reclosable spout. In recent years, SIG has continued to introduce new types of closures that are easy to open, easy to pour and reclosable. SIG also created a range of tear-off package products that require larger package openings.

SIG operates ten aseptic carton manufacturing plants located at seven production sites worldwide, including six in Europe, one in Southeast Asia, one in South America, one in East Asia and one joint venture in the Middle East. SIG also operates the Whakatane paper mill located in New Zealand. SIG s global operations allow for efficient delivery of packaging material to customers.

Filling Machines and Services

SIG s aseptic filling machines use its aseptic carton sleeves to produce and fill aseptic carton packaging. SIG s aseptic filling machines are advanced in terms of both speed and efficiency. In addition, they can be reconfigured for numerous different package formats, which provide SIG s customers with increased flexibility in their manufacturing processes. SIG also offers a high level of ongoing services to its customers through its network of service technicians and field service engineers. This is designed to allow SIG s customers to improve the productivity of their aseptic filling machines.

Customers

SIG s customer base includes leading international companies, large national and regional companies, as well as small local businesses, with its largest customer presence in Europe. SIG s customer base is stable and diversified, with its top ten customers accounting for 37% of the segment s revenue. No single customer accounted for more than 10% of the segment s revenue in 2011.

Competition

The aseptic carton packaging market is consolidated, with SIG being one of only two major participants that provide complete aseptic carton filling systems. However, SIG also faces competition from smaller competitors in the aseptic carton market, including companies that provide aseptic carton sleeves to customers who already own filling machines.

In addition to SIG s direct competitors in the aseptic carton packaging market, SIG also competes with plastic bottling suppliers and suppliers of packaging materials made of other substrates, which in some cases may be substituted for its aseptic carton packaging.

Marketing and Sales

SIG s sales and marketing staff coordinate and perform all customer interaction activities, including sales, marketing and technical services. SIG reaches its large and diversified customer base primarily through a direct field sales force of key account managers. SIG s key account managers make regular visits to existing customers to maintain these relationships. They also identify and develop new customer relationships by extending their contact base to include other major purchasers. Compensation of SIG s key account managers is partly performance-based.

SIG s customer service representatives are responsible for processing sales orders, expediting production and liaising with customers on order status. Machine service technicians and field service engineers work closely with key account managers and local marketing staff to satisfy customers needs through the production of high quality, value added products and providing on-time deliveries. SIG s design department includes in-house graphics and design personnel who collaborate with customers to provide specialized printing on aseptic carton packaging to differentiate their brands.

SIG actively supports its sales efforts with market research to identify potential opportunities and market trends across its businesses, and develops promotional materials that highlight SIG s capabilities within specific market segments.

SIG coordinates its marketing and sales efforts in Linnich, Germany, working together with regional teams to ensure consistency in its brand strategy and advertising. SIG aims at harmonizing the sales, marketing and service organizations that run the business within each country while concurrently bundling expert resources at the regional and global level.

Manufacturing

SIG s manufacturing primarily consists of assembly of aseptic filling machines and production of aseptic carton sleeves that are used by its machines to create an aseptic carton container for its customers beverage and liquid food products.

Assembly of aseptic filling machines takes place at SIG s manufacturing facilities in Linnich, Germany, Suzhou, China, and Rayong, Thailand. All of SIG s equipment is highly modularized to ensure that different machine types use common parts and components, thereby reducing the cost of material and assembly and the cost of inventory for assembly and spare parts. SIG s operations in Rayong and Suzhou focus on manufacturing machines for the Asian markets, which are smaller size formats. SIG s Linnich facility manufactures the complete range of machines.

SIG produces aseptic carton sleeves at ten manufacturing facilities in seven locations in Linnich and Wittenberg, Germany, Saalfelden, Austria, Rayong, Thailand, Suzhou, China, Curitiba, Brazil and Riyadh, Saudi Arabia. The Riyadh plant is a joint venture between SIG and Obeikan Industrial Investment Group. SIG produces spouts, caps and closures in Neuhausen, Switzerland.

Raw Materials and Suppliers

The packaging material for aseptic carton sleeves is composed of a laminate of cartonboard, PE and aluminum. Cartonboard provides stiffness, PE renders packaging liquid-tight and aluminum blocks out light and oxygen. In 2011, the total value of raw materials, including steel and components for SIG s filling machines, was $1,032 million and represented 74% of SIG s total cost of sales, excluding depreciation and amortization.

SIG purchases its raw materials from a number of major European and Asian suppliers. SIG s relations with its suppliers are satisfactory, and SIG has had long-term relationships with many of its large suppliers. In addition, SIG relies on a small number of suppliers for its cartonboard requirements for its aseptic carton packaging business. Specifically, SIG purchases nearly all of its cartonboard requirements from Stora Enso Oyj. SIG has purchased cartonboard from Stora Enso Oyj for several years, generally pursuant to written contracts, but from time to time without a written contract in place. SIG s current contract with Stora Enso Oyj expires on December 31, 2013. In the event that SIG was unable to purchase cartonboard from Stora Enso Oyj for a significant period of time, SIG would attempt to secure such cartonboard from other suppliers, which could lead to interruptions to supply or to higher input costs, which may adversely affect our business and results of operations.

SIG expects to derive vertical integration benefits from the acquisition of the Whakatane paper mill that was completed in May 2010. SIG has an internal supply of paperboard from the Whakatane paper mill, which currently accounts for approximately 3% of SIG s supply of paperboard and we intend to increase this percentage significantly over the next three years.

The prices of SIG s raw materials fluctuate in conjunction with movements in cartonboard, PE and aluminum prices. PE prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions. The price of cartonboard may fluctuate widely due to external conditions such as weather, product scarcity, commodity market fluctuations, currency fluctuations and changes in governmental policies and regulations.

SIG manages its relationships with suppliers through a central supply-procurement system. SIG ensures that it receives a continuous supply of materials using vendor-managed inventory and consignment stocking. With some suppliers, SIG also uses just-in-time deliveries to increase flexibility and medium-term contracts to produce arrangements that are mutually beneficial. SIG reviews supplier developments in regular business review meetings as well as through supplier audits.

Quality Management

Meeting customers complex requirements and technical specifications requires a strong commitment to quality and attention to detail. SIG is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management and employees. SIG uses a stringent technique of hazard analysis and critical control points to identify critical aspects of alimentary safety, and Quality Management methods and tools to identify key areas for improvement such as the reduction of waste and downtime.

Intellectual Property

SIG has a significant number of registered patents and trademarks. SIG carefully protects its patents and trademarks on its products and processes and actively defends its intellectual property rights throughout the world. SIG actively monitors its competitors to pursue any infringement of its rights.

SIG s trademark strategy consists of two elements its corporate brand and individual product brands. SIG has registered the SIG corporate brand as a word mark in many countries around the world and as a device in all classes relevant to the packaging sector.

SIG also relies on unpatented proprietary know-how and trade secrets and employs various methods, including confidentiality agreements with employees and consultants to protect SIG. Additionally, SIG has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. SIG attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate SIG s patents are of material importance to SIG s business, SIG believes that its business is not dependent upon any single patent or group of related patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, SIG does not believe that any of its licenses from third parties are material to its business taken as a whole. SIG does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

New Product Development

SIG focuses on the main segments of the aseptic carton packaging markets, specifically the liquid dairy and non-carbonated soft drink markets. For these segments, we believe that new product innovation is necessary to be able to maintain existing market positions, grow in emerging regional markets and enter new markets. Development of new opening solutions is mainly driven by cost optimization, opening and pouring performance, better functionality and improvement of system robustness and product integrity. SIG also focuses on output and robustness with respect to improvement of efficiency, cost and reliability of aseptic filling lines. Product quality and integrity, competitive system cost, environmental sustainability, availability of new technologies and SIG s margins are key drivers for the development of new and improved products. SIG incurred research and development costs of $101 million, $87 million and $83 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Information Technology

SIG s worldwide information technology organization provides IT services to all of its operations. Additionally, SIG s business locations are supported by regional IT staff. SIG uses SAP enterprise resource planning applications to support nearly all processes within its organization and also integrates other applications such as computer aided design/manufacturing and product data-capturing applications into SAP. SIG s SAP systems are consolidated and operate from one data center in Linnich, Germany secured by an additional backup data center.

Employees

As of December 31, 2011, SIG employed approximately 4,900 people. A significant number of SIG s employees are covered by collective labor agreements, including agreements with Verdi and IG Metall at SIG s plants in Germany. SIG has had no history of significant industrial disruption or strikes among its employees in any of its jurisdictions. We believe SIG s relationships with its employees and labor unions are satisfactory.

SIG has established a pension fund in Switzerland providing benefits according to a defined benefit plan. In other countries, pension plans have also been established as defined benefit plans, which are mainly unfunded.

Insurance

SIG maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe that SIG s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

Regulatory

SIG s business is subject to regulation applicable to SIG as well as to its customers in virtually every country where it has operations. Future regulatory and legislative change can affect the economics of its business activities, lead to changes in operating practices and influence the demand for and the cost of providing services to its customers. SIG has adopted compliance programs and procedures designed to attempt to ensure compliance with applicable laws and regulations. These programs and procedures are generally effective. Because of the complexity of these laws and regulations and the global scope of business, compliance cannot be guaranteed.

SIG is subject to extensive laws and regulations in the jurisdictions in which it operates, including environmental, health and safety laws and regulations. Among other things, these requirements regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of SIG s employees, regulate the materials used in and the recycling of products, and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances.

SIG could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of SIG s sites have a history of industrial operations that include the use or handling of hazardous materials. While SIG is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. SIG also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including investigation or regulation of the potential health hazards of SIG s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on SIG s business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulations, such as those related to greenhouse gas emissions and the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change, which could negatively affect SIG. These initiatives may cause SIG to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from SIG s suppliers, customers, or both incurring additional compliance costs that could get passed through to SIG or impact product demand.

Legal Proceedings

SIG is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to SIG s financial position, results of operations or cash flows.

Evergreen

Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. We believe Evergreen holds the number one market position for fresh beverage cartons and fresh liquid packaging board in the global and North American markets measured by tons of fresh liquid packaging board, based on our analysis of industry data. Fresh carton packaging, most predominant in North America, is designed for beverages that require a cold-chain distribution system, and therefore have a more limited shelf life than beverages in aseptic carton packaging. Evergreen supplies integrated fresh carton packaging systems, which can include fresh cartons, spouts, and filling machines. Evergreen produces liquid packaging board for its internal requirements and to sell to other fresh beverage carton manufacturers. Evergreen also produces paper products, including coated groundwood primarily for catalogs, inserts, magazine and commercial printing, as well as uncoated freesheet primarily for envelope, specialty and offset printing paper. Evergreen has a large customer base and operates primarily in North America. The following tables show total segment revenue by product group and revenue by geographic region for Evergreen for each of the years ended December 31, 2011, 2010 and 2009:

	Evergreen Revenue by Product Group		
	2011	**2010**	**2009**
		(In $ million)	
Cartons	$ 775	$ 755	$ 757
Liquid Packaging Board	441	416	336
Paper Products	387	412	336
Total	**$ 1,603**	**$ 1,583**	**$ 1,429**

	Evergreen Revenue by Geographic Region		
	2011	**2010**	**2009**
		(In $ million)	

North America	$ 1,178	$ 1,206	$ 1,086
Asia	199	187	171
Latin America	141	110	100
Europe	67	58	29
Other	18	22	43
Total	**$ 1,603**	**$ 1,583**	**$ 1,429**

History

Evergreen s predecessor was established in 1946 when International Paper, or IP, entered the beverage packaging business by acquiring Single Service, Inc. Over the years, the business was responsible for many breakthroughs in beverage carton packaging, including the introduction of PE coated cartons and barrier board technology. In January 2007, IP s Bev Pack Business was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the Initial Evergreen Acquisition. IP s Bev Pack Business included fresh beverage converting facilities, a fresh filling machine manufacturing facility and the Pine Bluff, Arkansas mill. Subsequent to the Initial Evergreen Acquisition, the business was renamed Evergreen. In July 2007, Blue Ridge Paper Products, Inc., or Blue Ridge, was acquired by Evergreen. Blue Ridge was an independent manufacturer of beverage packaging products. The Blue Ridge business included fresh beverage converting facilities and the Canton, North Carolina mill.

Total Packaging Solution

Evergreen employs a business model that we refer to as Total Packaging Solution, which is based on providing Evergreen s customers with a single source for all of their fresh beverage carton packaging requirements. Fresh carton sleeves can be used with Evergreen s fresh filling machines, as well as other fresh filling machines. Carton sales represented 48% of Evergreen s revenue in 2011 and are sold under multi-year and shorter term contracts. These contracts have historically provided visibility into and predictability of Evergreen s future revenue.

Fresh Carton Sleeves, Spouts, Caps, Closures and Filling Machines

Evergreen produces and sells fresh carton sleeves and supplies spouts, caps and closures. During the filling process, the sleeve is opened, sealed at the base, filled with the beverage products and then sealed at the top of the carton.

Fresh carton sleeves can be used for a variety of beverages including liquid dairy drinks, such as regular and flavored milk, and non-carbonated soft drinks, such as fresh juice, fruit-based drinks and iced tea. Fresh cartons are also used for food items, such as liquid eggs, and for non-food items, such as liquid detergents and softeners.

Evergreen has developed a variety of packaging solutions to help beverage manufacturers differentiate their products and generate stronger brand recognition. Evergreen s barrier board technology allows its customers to achieve longer shelf life for their products as well as protect against the loss of vitamins and other nutrients. Furthermore, the application of high-definition, multi-color, printed designs to the cartons gives customers the ability to differentiate their products.

Evergreen s fresh filling machines use fresh carton sleeves to produce and fill fresh carton packaging. Evergreen offers its customers a variety of filling machine models with different capabilities, which can be reconfigured for different package volumes, providing its customers with flexibility in their manufacturing processes. Evergreen s fresh filling machines may be sold or leased directly to customers or sold to a third-party finance company, which then leases the filling machines to customers.

Liquid Packaging Board

The production of liquid packaging board at Evergreen s mills in Pine Bluff, Arkansas and Canton, North Carolina allows Evergreen to be a vertically integrated producer of fresh cartons. Evergreen s Pine Bluff and Canton mills produce multiple grades of liquid packaging board, both PE coated and uncoated, for fresh cartons. Evergreen s liquid packaging board products can be broadly grouped into three categories: PE coated liquid packaging board, or PE coated board, PE coated / co-extruded liquid packaging board, or barrier board, and uncoated liquid packaging board, or uncoated board. In addition, Evergreen s mill in Canton produces cupstock for the manufacture of hot and cold cups as well as ovenable trays for the frozen food market as an alternative to plastic trays.

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Other Paper Products

Evergreen also offers a range of paper products, including coated groundwood, which is used in catalogs, magazine and inserts, and commercial printing as well as uncoated freesheet primarily for envelope, specialty and offset printing paper.

Customers

Evergreen s customer base includes leading international companies, large national and regional customers and smaller local businesses, with its largest presence in North America. Many of Evergreen s customer sales contracts are index based allowing for pass-through of input cost movements on a quarterly to annual basis. In 2011, Evergreen s top ten customers accounted for 40% of the segment s gross revenue, and no single customer accounted for more than 10% of the segment s gross revenue.

The Pine Bluff and Canton mills aggregate liquid packaging board production is used by Evergreen s fresh carton packaging business and is also sold to external fresh carton converting customers, with whom Evergreen generally has long-standing relationships. In addition, Evergreen sells liquid packaging board to other customers, who produce ovenable trays and cupstock.

Evergreen s coated groundwood customers consist primarily of catalog and magazine publishers. Evergreen s uncoated freesheet customers consist primarily of envelope converters, specialty paper producers and commercial printers. Evergreen sells both directly and through paper brokers in the coated groundwood and uncoated freesheet markets.

Competition

The fresh carton market is fairly consolidated. We believe Evergreen is the only major market participant that provides vertically integrated liquid packaging board as well as complete fresh carton packaging systems consisting of cartons, filling machines and spouts. We believe Evergreen is the largest participant in the fresh carton packaging market measured by volume globally and in North America based on our analysis of industry data.

Furthermore, we believe Evergreen is the largest producer of liquid packaging board for fresh cartons globally and in North America based on our analysis of industry data. Evergreen is a relatively small producer of coated groundwood within a concentrated North American coated papers market. Evergreen is also a small producer of uncoated freesheet within a concentrated market.

Marketing and Sales

Evergreen s sales and marketing staff coordinates and performs all customer interaction activities, including sales, marketing and technical services. Evergreen reaches its large and diversified customer base primarily through a direct field sales force.

Evergreen s customer service representatives are responsible for processing sales orders, expediting production and liaising with customers on order status. Machine service technicians, paper technicians and field service engineers work closely with key account managers to satisfy customers needs.

Evergreen has a marketing and new product development team focused on leveraging its Total Packaging Solution model and creating new, value added products in current and adjacent markets.

Evergreen s product innovation aims to deliver new packaging products for both customers and end-use consumers, and to generate a percentage of future revenue from new products. The innovation process follows a traditional stage gate development process. One of Evergreen s primary competitive advantages in fiber based cartons is offering a total system solution from board manufacture to efficient filling machines. Therefore, new carton product design teams include expertise from equipment, converting, the mills, and often closures. A key focus for innovation is leveraging leading board and barrier technologies to adjacent markets liquid eggs and fabric softener are two examples.

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Manufacturing

Evergreen operates two integrated pulp and paper mills in North America and 13 sleeve production plants globally, including seven in the United States, three in Asia, one in Latin America and two in the Middle East. Evergreen s manufacturing operations primarily consist of production of paper and packaging cartonboard, manufacturing and assembly of filling machines and parts and production of fresh carton sleeves that are used with its machines to create fresh carton containers for its customers beverage products. Fresh carton sleeves are also shipped to Evergreen s customers for filling.

Fresh Carton Sleeves, Spouts, Caps, Closures and Filling Machines

Evergreen produces fresh carton sleeves at seven locations in North America and six locations internationally. Evergreen outsources to Closures and to external manufacturers its production of spouts, caps and closures, which are manufactured to Evergreen s design and specifications. Evergreen has exclusive supply contracts with Closures and external manufacturers.

Manufacture and assembly of fresh filling machines takes place at Evergreen s manufacturing facilities in Cedar Rapids, Iowa, and Shanghai, China. Evergreen s filling machines are mainly utilized to fill cartons of non-carbonated soft drinks, such as juice and juice drinks, and liquid dairy products. Evergreen both manufactures and outsources components used in the production of its fresh filling machines. The majority of Evergreen s manufacturing suppliers are located near the Cedar Rapids facility. In addition, Evergreen sources some components from China.

Mills

Evergreen s mills are vertically integrated pulp and paper manufacturing facilities that have their own power generation plant, bleached hardwood and softwood kraft pulp lines and extrusion capabilities. The Pine Bluff mill houses one liquid packaging board machine and one coated groundwood machine. In addition, the Pine Bluff mill has a groundwood pulp line to supply the coated groundwood machine. The Canton mill houses one liquid packaging board machine and three uncoated freesheet machines.

Raw Materials and Suppliers

In 2011, the total value of raw materials consumed by Evergreen was $604 million and represented 46% of Evergreen s total cost of sales, excluding depreciation and amortization.

Evergreen internally sources its liquid packaging board requirements from its paper mills in Pine Bluff and Canton. To produce cartonboard at its mills, Evergreen sources wood and resin from a variety of North American suppliers. Evergreen s relationships with its suppliers are satisfactory.

The prices of Evergreen s raw materials fluctuate in conjunction with market movements in commodities. Raw wood and wood chips are typically purchased from sources close to the mills, and as a result, prices are established based on local conditions. Potential price fluctuations can occur due to poor weather conditions or insect infestation, but are infrequent due to the techniques and practices of lumber extractors. Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. In order to minimize the impact of price fluctuations, Evergreen uses price hedging arrangements for purchases of energy and single and multi-year agreements, defined as longer than one year, that provide for fixed prices or prices that escalate based on inflation or published index movements.

Evergreen manages its relationships with suppliers through a central supply-procurement system. It ensures that it receives a continuous supply of materials using vendor-managed inventory and consignment stocking. Evergreen reviews supplier developments in regular business review meetings.

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Quality Management

Meeting customers complex requirements and technical specifications requires a strong commitment to quality and attention to detail. Evergreen is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management, customers, and employees. Evergreen uses a stringent technique of hazard analysis and critical control points to identify critical aspects of quality management, as well as methods and tools to identify key areas for improvement that result in a reduction of waste and downtime, at all of Evergreen s facilities and those of its customers.

Intellectual Property

Evergreen has a portfolio of several hundred registered patents and registered trademarks. Evergreen uses internal and external resources to manage its intellectual property portfolio and actively defends its intellectual property rights throughout the world.

Evergreen also relies on unpatented proprietary know-how and trade secrets and employs various methods including confidentiality agreements with employees and consultants to protect its intellectual property. Additionally, Evergreen has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. Evergreen attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate Evergreen s patents are of material importance to Evergreen s business, Evergreen believes that its business is not dependent upon any single patent or group of related patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Evergreen does not believe that any of its licenses from third parties are material to its business taken as a whole. Evergreen does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

Information Technology

Evergreen s worldwide information technology organization provides IT services to all of its businesses. Evergreen uses SAP enterprise resource planning applications to support nearly all processes within its organization and also integrates other purchased and custom developed applications. Evergreen s SAP systems are consolidated and operate from one data center in a location secured by an additional backup data center.

Employees

As of December 31, 2011, Evergreen employed approximately 4,100 people. A significant number of Evergreen s employees are covered by collective labor agreements. Recently, Evergreen successfully concluded labor negotiations with the unions at a number of its manufacturing facilities. We believe Evergreen s relationships with its employees and labor unions are satisfactory.

Insurance

Evergreen maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe Evergreen s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

Regulatory

Evergreen s business, including its customers, is subject to regulation in virtually every country in which it has operations. Future regulatory and legislative change can affect the economics of its business activities, lead to changes in operating practices and influence the demand for and the cost of providing services to its customers. Evergreen has adopted compliance programs and procedures designed to achieve compliance with applicable laws and regulations. These programs and procedures are generally effective. However, because of

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the complexity of these laws and regulations, variance in production inputs and efficiencies, and the global scope of business, compliance cannot be guaranteed.

Evergreen is subject to extensive laws and regulations in the jurisdictions in which it operates, including environmental, health and safety laws and regulations. Among other things, these requirements regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of Evergreen s employees, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances.

Evergreen could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of Evergreen s sites, such as the Canton and Pine Bluff mills, have a history of industrial operations that include the use or handling of hazardous materials. While we are not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of investigation or cleanup obligations at these or other sites in the future could result in substantial liability. In addition, while indemnities relating to certain environmental matters were provided by prior owners under certain asset purchase agreements, some of the indemnities are limited in duration and scope.

Evergreen also could incur fines, penalties and sanctions and damages from third-party claims for property damage, personal injury or nuisance as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials, such as in connection with wastewater released to the Pigeon River from the Canton mill. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including additional financial assurance or environmental permit requirements or investigation or regulation of the potential health hazards of certain of Evergreen s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on Evergreen s business, financial condition or results of operations.

Evergreen has been addressing issues associated with its wastewater discharges from the Canton mill. In May 2010, North Carolina environmental regulators issued a revised wastewater discharge permit, with a five-year term beginning July 1, 2010, that addressed EPA concerns regarding water color and temperature. In June 2010, North Carolina environmental regulators issued a revised color variance to the permit.

In July 2010, the Southern Environmental Law Center, acting on behalf of various parties, filed challenges to the permit in the North Carolina Office of Administrative Hearings; in August 2010, it also contested the color variance. Evergreen intervened in these proceedings and, in January 2011, the cases were consolidated. In the pending administrative proceeding, the parties contesting the permit and the color variance are seeking to prove that North Carolina regulators acted arbitrarily and capriciously in setting the color and temperature standards set forth in the permit and color variance. An adverse determination in the administrative proceeding could result in stricter permit limits and require Evergreen to incur costs that could have a material adverse effect on Evergreen s business, financial condition and results of operations.

In addition, in 2009, North Carolina issued an emergency change in the maximum arsenic ambient air level, which effectively allowed the state to reopen limits established in existing air permits. The biomass boiler at the Canton mill, which is partially fueled by coal, did not comply with the new level. In January 2011, Evergreen signed a Special Order by Consent issued by the North Carolina regulatory authorities, which requires Evergreen to take certain actions to bring the biomass boiler into compliance with the new arsenic level, and may require it to make certain upgrades to the boiler. However, state regulators are deferring further action on this issue until the state Science Advisory Board determines the appropriate level for arsenic.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulations, which could negatively affect Evergreen. For example, the United States Congress has considered legislation to reduce emissions of carbon dioxide and other greenhouse gases. Similarly, the EPA is regulating certain greenhouse gas emissions under the federal Clean Air Act. These and other climate change initiatives

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may cause Evergreen to incur additional direct costs in complying with any new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from Evergreen s suppliers, customers, or both incurring additional compliance costs that could get passed through to Evergreen or impact product demand. In addition, the EPA is also continuing the development of other new standards and programs that may be applicable to our operations. For example, the EPA has issued but is currently reconsidering regulations under the Clean Air Act governing emissions from industrial boilers. These or other rules promulgated in the future could result in additional material costs to Evergreen, including costs necessary to upgrade or replace its boilers.

Legal Proceedings

Evergreen is a party to various litigation matters, including with respect to environmental matters, arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation and environmental matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Evergreen s financial position, results of operations or cash flows.

Closures

Closures is a leading manufacturer of plastic beverage caps and closures, primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market. We estimate Closures holds the number one market position in the global plastic beverage caps and closures market measured by volume based on our analysis of industry data. Closures products also serve the liquid dairy, food, beer and liquor, pharmaceutical and automotive fluid markets. In addition to supplying plastic caps and closures, Closures also offers high speed rotary capping equipment, which secures caps on a variety of packaging, and related services. Closures has a large global customer base with its largest presence in North America. The following tables show total segment revenue by product group and revenue by geographic region for Closures for each of the years ended December 31, 2011, 2010 and 2009:

	Closures Revenue by Product Group		
	2011	**2010**	**2009**
		(In $ million)	
Plastic Closures	$ 1,165	$ 992	$ 833
Metal Closures	118	117	98
Capping Equipment	46	65	49
Total	**$ 1,329**	**$ 1,174**	**$ 980**

	Closures Revenue by Geographic Region		
	2011	**2010**	**2009**
		(In $ million)	
North America	$ 556	$ 472	$ 363

Asia	273	233	206
Europe	244	218	196
South America	222	212	176
Other	34	39	39
Total	**$ 1,329**	**$ 1,174**	**$ 980**

History

Closures has been supplying caps and closures since its inception in the 1930s as part of Alcoa s packaging business. Closures started developing aluminum closures primarily for the food industry and continued to develop its manufacturing capabilities through the 1940s and 1950s. In the 1960s, Closures

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introduced the first resealable aluminum roll-on closure for the beer and soft drink industries. In 1986, Closures acquired H-C Industries, which had developed a patented compression molding process to make plastic closures for carbonated soft drinks. Throughout the 1990s and 2000s, Closures continued to develop innovative closure solutions such as spout fitments for gable top juice containers and hot-fill closures for sports drinks, and entered the European and Asian markets during this period. In 2008, Closures was acquired indirectly by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition. On February 1, 2010, Closures purchased Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. The acquired company was renamed Closure Systems International Americas, Inc.

Global Packaging Solution

Closures employs a business model, which we refer to as the Global Packaging Solution, through which it provides effective and complete closure solutions to its customers. As the only major global provider of beverage caps and closures as well as high speed rotary capping equipment and related services, we believe this model differentiates Closures from its competitors and positions it as a supplier of choice for customers throughout the world. Closures operations are strategically located in geographic proximity to its customers and are focused on providing innovative closure solutions, quality products, capping equipment and services to its customers, designed to reduce their overall cost of operations. Beverage caps and closures are sold mostly under multi-year contracts, defined as longer than one year. Many of Closures customers have been customers for over 20 years. Closures strong client relationships, high contract renewal rates and longstanding customer relationships historically have provided visibility into future revenue.

Caps and Closures

Closures caps and closures can be used for a variety of beverages, including carbonated soft drinks, non-carbonated soft drinks, bottled water, juices and sports drinks, which are primarily filled in PET containers and require a plastic closure. In addition, Closures caps and closures can also be applied to seal high density polyethylene containers or glass containers as required by the customer. Closures has also been able to take advantage of the increasing use of plastic caps and closures in the food, dairy and alcoholic beverages categories. Closures customer relationships have enabled it to expand its core beverage caps and closures product offering through the development of higher margin, customized closure solutions. Closures caps and closures are sold mostly under multi-year contracts.

In 2007, Closures introduced the mini-closures platform of products in all of its major markets, except Japan. The mini-closures provide Closures customers with reduced packaging costs, increased sealing technologies, seal integrity and easy-open convenience.

Capping Equipment and Services

Closures is a global leader in beverage capping equipment. In addition, Closures can provide customized cap handling and application systems specifically tailored to customer needs. Closures builds capping machinery for a wide range of cap and closure applications, and production and process environments, offering innovative system solutions for cold-fill, hot-fill and aseptic-fill applications. These products and services are designed to deliver a comprehensive system of customer value and reliability.

In addition to the original capping systems equipment, Closures also supplies its customers with replacement parts through its global spare parts network and online store, as well as technical service through a team of technicians strategically located in geographic proximity to its customers. This is designed to allow Closures customers to improve the productivity of their capping machines, which may result in increased caps and closures sales. Closures capping machinery is typically sold directly to the end-use customer.

Closures provides capping machine services both before and after a capping machine placement to help customers improve productivity. These services include retooling programs, quick-change capping conversion, training services, troubleshooting and machine upgrades, on-site capping inspections and line efficiency improvements.

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The business is supported by regionally based technical services professionals worldwide, strategically located in geographical proximity to Closures customers. Closures emphasis on service leads to strong customer loyalty and generates results by ensuring optimal capping machine efficiency, which may drive cap and closure demand and provide Closures with a competitive advantage.

Customers

Closures customer base includes leading international companies as well as large national and regional companies primarily in the beverage and consumer product industries. Where appropriate, Closures manages its customer relationships with large beverage companies at both the parent company and the local bottler levels. This approach allows Closures to foster relationships at the various purchasing decision points, thereby minimizing its exposure to any one particular contract and enabling it to understand the developing requirements of beverage customers. In 2011, Closures top ten customers accounted for 25% of the segment s gross revenue and no single customer accounted for more than 10% of the segment s gross revenue.

The majority of Closures revenue is derived from multi-year contracts. Many of Closures customer sales contracts contain price adjustments based on changes in resin prices which allows Closures to pass through varying degrees of the changes in resin prices to its customers. Where possible, Closures seeks to stagger the expiration dates of its contracts to avoid the need to renew several large contracts at the same time.

Competition

The global caps and closures market is highly fragmented, with Closures being one of a few global participants. Most other competitors are either local or regional companies primarily supplying only one region of the world. In addition, we believe that Closures is the largest plastic beverage caps and closures producer worldwide measured by volume based on our analysis of industry data. We believe Closures has the number one global market position by volume in plastic beverage caps and closures overall as well as the number one global market position in beverage caps and closures by volume for the carbonated soft drink segment based on our analysis of industry data. We believe Closures benefits from its proximity to clients, stringent product specifications demanded by its multinational client base, high upfront investment costs and its ability to provide integrated closure system solutions. Closures also offers strong product design capabilities, leading technology innovation, speed of product delivery, value-added features and cost competitiveness, all of which are differentiating factors in the caps and closures market.

Marketing and Sales

Closures reaches its customer base primarily through a direct field sales organization. Closures sales teams are principally organized by region and are supported by global marketing teams that are focused on each of its key market segments such as carbonated soft drink, non-carbonated soft drink, bottled water and liquid food. Each of the marketing teams also has dedicated project management and product design members to further synchronize project and client needs.

We believe Closures is the only global supplier of a completely integrated closures solution by offering both caps and closures and capping equipment. This provides a strategic advantage for Closures as both its sales professionals and service technicians have the ability to solicit real-time feedback and provide Closures with unique insight on global cap and closure operations, consumer trends and competitor products. We believe this flow of shared knowledge between equipment sales, cap and closure sales and equipment service personnel helps Closures effectively develop and manufacture high quality, innovative products that meet the needs of its customers.

Manufacturing

Closures is headquartered in Indianapolis, Indiana, and operates 32 manufacturing locations worldwide.

Caps and Closures

Closures manufactures caps and closures at 30 of its 32 manufacturing facilities globally. Closures global operations enable it to effectively service its broad global customer base and provide a competitive advantage relative to smaller regional suppliers. These facilities manufacture caps and closures utilizing Closures patented compression molding technology, as well as injection molding and metal stamping processes. Closures manufactures its own proprietary compression molding equipment, which is a key competitive advantage as it allows Closures to quickly increase manufacturing capacity as demand grows. Using this technology, Closures manufactures a broad range of sealing solutions such as molded in-shell liners, disc liners, induction and conduction seals as well as tamper evidence bands.

Capping Equipment

Closures capping equipment is manufactured globally at locations in Germany, Japan, China and the U.S. Equipment produced in Germany is primarily supplied to Europe, Africa, the Middle East and some countries in Asia, while equipment made in Japan is primarily sold in Japan, China and other Asian countries. Equipment manufactured in China is sold only in China. U.S. manufactured equipment is primarily sold in North, South and Central America. Maintaining global platforms for base equipment designs and having multiple manufacturing locations ensures that Closures can provide the right product features for the local market needs anywhere in the world regardless of the filling process that the customer is using.

Raw Materials and Suppliers

Closures principal raw materials are resin and metal. In 2011, the total value of raw materials purchased by Closures was $689 million, with the majority of raw materials being plastic resin. Total raw materials represented 65% of Closures total cost of sales, excluding depreciation and amortization in 2011.

Closures centralized purchasing function enables it to leverage its global purchasing power and reduce dependence on any one supplier. Closures also maintains local purchasing representation at most manufacturing facilities to take advantage of low cost local suppliers and reduced transportation costs. Closures sources its raw materials from a variety of high quality, dependable suppliers and maintains multiple suppliers for each input. Closures typically has one year contracts with all key resin, colorant and aluminum suppliers, providing a steady supply of raw materials. We believe that the pricing terms under these contracts are consistent with the terms available in the market, and Closures has not historically experienced any significant interruptions of key raw material supplies.

Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. To mitigate the volatility of resin prices, the majority by volume of Closures customer sales contracts contain price adjustments based on changes in resin prices which allows Closures to pass through varying degrees of the changes in resin prices to its customers. In certain instances, Closures has also been able to negotiate raw material price adjustments with customers not subject to these clauses.

Closures considers its relationships with its suppliers to be satisfactory and has relationships spanning more than ten years with a majority of its top suppliers.

Quality Management

Meeting customers complex requirements and technical specifications requires a strong commitment to quality, customer service, process controls and reliability. Closures maintains technology centers in the U.S., Europe, Japan, China and South America that are focused on product engineering, testing and design. In addition, we believe

Closures has unique testing capabilities through its laboratories located around the world that are fully accredited by major global beverage manufacturers. Closures also uses pilot bottling line equipment to simulate customer filling and capping operations in order to facilitate real world product testing prior to customer line trials. This provides a key advantage for Closures as large customers can leverage Closures testing capabilities and avoid the need to perform their own independent product testing.

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Closures production facilities employ efficient, technologically advanced manufacturing capabilities. In addition, each facility offers reliable customer service, timely delivery and quality performance.

Intellectual Property

Closures has hundreds of registered patents and registered trademarks which, along with trade secrets and manufacturing know-how, help support Closures ability to add value within its market and sustain its competitive advantages. Closures carefully monitors its patents and trademarks on its products and processes and defends its intellectual property rights throughout the world. Closures invests a considerable amount of resources in developing its proprietary products and manufacturing capabilities and employs various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect its intellectual property. Additionally, Closures has licensed, and may license in the future, patents, trademarks, trade secrets and similar intellectual property to third parties. Closures attempts to contractually ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships.

While in the aggregate Closures patents are of material importance to Closures business, Closures believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Closures does not believe that any of its licenses from third parties are material to its business taken as a whole. Closures does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

New Product Development

New product innovation is a key component of Closures core growth strategy. Closures new product development process is based on a fundamental understanding of the interactions between product design, materials of construction, and manufacturing and application processes. Key trends driving new product development include cost reduction, product integrity preservation, tamper evidence enhancement, increased brand equity and promotion and consumer functionality. As an example, Closures mini-closure platform of products, which significantly reduces raw material costs without sacrificing product performance, has been introduced in all but one of its major markets. In addition, Closures has been a leading innovator in the development of tamper evidence beverage caps and closures and has launched new closures with enhanced tamper evidence. Furthermore, Closures has been a leading innovator in the development of one piece beverage closures, which provide customers with an alternative high performance design that can be manufactured in one resin material, while retaining similar performance characteristics to closures using two materials. Closures incurred research and development costs of $14 million, $13 million and $11 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Information Technology

Closures facilities utilize a variety of information systems. Over the last few years Closures has migrated many of its major locations and regions to Oracle EBS which provides the backbone for financial, manufacturing and commercial transactions and reporting. At the present time, Closures shares an Oracle EBS information systems platform with the Reynolds consumer products and Reynolds foodservice packaging businesses. The locations on Oracle EBS use several of the system s core business functionalities such as Order to Cash, Requisition to Pay, Shop Floor Manufacturing and General Ledger.

Employees

As of December 31, 2011, Closures employed approximately 3,300 people. A small number of employees at its Randolph, New York facility are members of a labor union. A significant portion of Closures employees in Japan are members of a labor union. In addition, many of Closures employees in Europe are represented by works councils. Closures has not experienced any significant union related work stoppages over the last 20 years, and it considers its relationship with its employees and labor unions to be satisfactory.

Insurance

Closures maintains the types and amounts of contractual and third-party insurance coverage customary in the market in which it operates. We believe that Closures insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

Regulatory

Closures operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of its employees, regulate the materials used in, and the recycling of, products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. Closures could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. For example, some of Closures sites have a history of industrial operations that include the use or handling of hazardous materials. While Closures is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. Closures also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the existence of other environmental liabilities in the future, including additional permit requirements or investigation of the potential health hazards of certain of Closures products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on its business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Closures. For example, the U.S. Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These initiatives may cause Closures to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from its suppliers, customers, or both incurring additional compliance costs that could get passed through to Closures or impact product demand.

Legal Proceedings

Closures is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Closures financial position, results of operations or cash flows.

Reynolds Consumer Products

Reynolds Consumer Products is a leading U.S. manufacturer of branded and store branded consumer products such as foil, wraps, waste bags, food storage bags, and disposable tableware and cookware. We estimate that Reynolds Consumer Products holds the number one or two market position in many of the categories in which it competes based on our analysis of industry data. These products are typically used by consumers in their homes and are sold through a variety of retailers, including grocery stores, mass-merchandisers, warehouse clubs, drug stores, discount chains and military channels. Reynolds Consumer Products sells many of its products under well known brands such as Reynolds and Hefty, and also offers store branded products. Reynolds Consumer Products has a large customer base and operates primarily in North America.

The following tables show total segment revenue by product group and revenue by geographic region for Reynolds Consumer Products for each of the years ended December 31, 2011, 2010 and 2009:

	Reynolds Consumer Products Revenue by Product Group		
	2011	2010*	2009**
	(In $ million)		
Waste/Storage	$ 992	$ 943	$ 433
Cooking	822	828	757
Tableware	745	762	
Total	**$ 2,559**	**$ 2,533**	**$ 1,190**

	Reynolds Consumer Products Revenue by Geographic Region		
	2011	2010*	2009**
	(In $ million)		
United States	$ 2,454	$ 2,434	$ 1,095
Americas, excluding the United States	75	61	47
Asia	22	24	24
Middle East/Other	8	14	24
Total	**$ 2,559**	**$ 2,533**	**$ 1,190**

* Amounts based on our Reynolds consumer products and Hefty consumer products businesses combined revenue for the full year ended December 31, 2010.

** Amounts do not include revenue of the Hefty consumer products business acquired in November 2010 as part of the Pactiv Acquisition.

History

Reynolds Metals Company was founded in 1919 as the U.S. Foil Company. In 1926, the company began producing aluminum foil for packaging. In 1947, the company introduced its most famous product, Reynolds Wrap Aluminum Foil. The store branded plastic wraps, bags, and container business was founded in 1961 under the Presto name and was later acquired by Reynolds Metals Company in 1988. In 2000, Alcoa merged with Reynolds Metals Company. In 2008, the Reynolds consumer products business was indirectly acquired by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition.

Our Hefty business was developed by Mobil Plastics in the 1960s, starting with its best known product, the Hefty waste bag, and adding other plastic and aluminum products over time. In 1995, Tenneco Packaging Inc. acquired Mobil Plastics. In November 1999, Tenneco Packaging Inc. (which was renamed Pactiv Corporation) was spun-off to Tenneco Inc. s stockholders. In November 2010, we acquired Pactiv and began the integration of our Hefty consumer products and Reynolds consumer products businesses into the integrated Reynolds Consumer Products segment. The integration was substantially completed as of December 31, 2011.

Product Groups

Reynolds Consumer Products portfolio of products consists of three product lines: Waste & Storage Products, Cooking Products and Tableware Products. These products are typically used by consumers in their homes and are sold through a variety of retailers, including supermarkets and mass merchandisers.

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Waste & Storage Products

Waste & Storage Products manufactures branded and store branded plastic waste bags, food storage bags and wraps and sells its branded products under such brand names as Hefty® Baggies®, Hefty® OneZip®, Hefty® Cinch Sak®, Hefty® The Gripper®, Kordite® and Hefty® Odor Block®.

Cooking Products

Cooking Products manufactures branded and store branded aluminum foil and disposable cookware and sells its branded products under the Reynolds® and Hefty® E-Z Foil® brands in the U.S. and under the Diamond® brand internationally. We believe Reynolds Consumer Products, with its flagship Reynolds Wrap® products, holds the number one market position in the U.S. branded consumer foil market measured by revenue.

Tableware Products

Tableware Products manufactures foam, plastic, molded fiber and pressed paperboard disposable tableware, including disposable plates, cups, bowls, cutlery, and straws. Branded items are sold under the Hefty®, Hefty® Zoo Pals® and Kordite® names.

Customers

Reynolds Consumer Products customer base includes leading grocery stores, mass merchants, warehouse clubs, discount chains, drug stores, and military outlets. Through its sales organization, Reynolds Consumer Products is able to manage its relationships with customers at the national, regional, and local levels, depending on their needs. We believe that Reynolds Consumer Products sales support, together with Reynolds Consumer Products ability to manufacture and supply store branded products, is a significant competitive advantage. In 2011, Reynolds Consumer Products top ten customers accounted for 67% of the segment s revenue, with two customers accounting for 27% and 13% of the segment s revenue.

Competition

The U.S. consumer food packaging market is relatively mature, yet highly competitive, with Reynolds Consumer Products being one of the few key participants in North America. Reynolds Consumer Products benefits from the strength of the Reynolds and Hefty brands, a differentiated suite of store branded products, as well as significant capital investment in its manufacturing facilities which are well positioned geographically.

The strong recognition of the Reynolds and Hefty brands among U.S. consumers gives Reynolds Consumer Products a competitive edge. The Reynolds brand has been in existence since 1947 and the Hefty brand has been in existence since 1962.

The product categories in which Reynolds Consumer Products competes also have a strong store branded presence. By leveraging existing capacity and its brand strength, Reynolds Consumer Products has expanded its store branded offerings, which are characterized by high volume and low complexity, to enhance its overall product offering for target customers.

Marketing and Sales

Reynolds Consumer Products employs sales professionals organized by product type and customer channel. In addition to the sales professionals, the sales organization includes customer service representatives, marketing teams and an internal logistics and transportation team. Reynolds Consumer Products also utilizes third-party brokers for selected products and accounts. Reynolds Consumer Products provides its customers with category management expertise including assortment, pricing, and promotion strategies, supported by innovation and consumer-focused insights. We believe this value-added service differentiates Reynolds Consumer Products from its competitors and strengthens its customer relationships.

Manufacturing

Reynolds Consumer Products operates 12 manufacturing facilities strategically located across the U.S. to optimize distribution and minimize lead times and freight costs. We believe all of Reynolds Consumer Products facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

Raw Materials and Suppliers

Reynolds Consumer Products principal raw materials include aluminum and resin, mainly PE and PS. In 2011, the total value of raw materials was $1,228 million and represented 66% of the segment s total cost of sales, excluding depreciation and amortization. Plastic resin accounted for 52% of raw material costs for the year, while aluminum and other metal-related components collectively accounted for 24%. Reynolds Consumer Products other raw materials include products purchased and resold as well as paper, corrugated carton and cases. Reynolds Consumer Products is sensitive to price movements of raw materials, mainly resin and aluminum, and to energy-related cost movements, particularly those that affect transportation and utility costs. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. Resin prices have also historically fluctuated with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products.

Reynolds Consumer Products relationships with its suppliers are satisfactory. Centralized purchasing enables Reynolds Consumer Products to leverage the global purchasing power of its operations and reduces its dependence on any one supplier. Reynolds Consumer Products sources its raw materials from a variety of suppliers and maintains multiple suppliers for each input. Reynolds Consumer Products typically has one-year contracts with resin suppliers and multi-year contracts with aluminum suppliers, which has historically provided Reynolds Consumer Products with a steady supply of raw materials. Reynolds Consumer Products has not historically experienced any significant interruptions of key raw material supplies.

Quality Management

Reynolds Consumer Products research and development resources primarily facilitate branded innovation and support store brand growth. Reynolds Consumer Products also has continuous improvement programs focused on cost reduction and productivity improvements and existing programs in lean manufacturing systems that allow for better inventory management. Reynolds Consumer Products store branded products are subject to a high degree of quality control and many have national brand equivalent certification from third parties. Reynolds Consumer Products integrated aluminum foil production is also designed to achieve the highest degree of product safety through its disciplined control of aluminum ingot grade and retail traceability of products. Supplier controls, that are in place throughout Reynolds Consumer Products facilities, require product and process controls, a safe and healthy work environment, environmental compliance, and product safety. Reynolds Consumer Products reviews its facilities at least annually for full compliance, and appropriate remediation procedures are taken if necessary.

Intellectual Property

Reynolds Consumer Products has a significant number of registered patents and registered trademarks as well as several copyrights, which, along with trade secrets and manufacturing know-how, help support its ability to add value within the market and sustain its competitive advantages. Reynolds Consumer Products has invested a considerable amount of resources in developing proprietary products and manufacturing capabilities, and it employs various methods, including confidentiality and non-disclosure agreements with third parties, employees, and consultants, to protect its intellectual property.

While in the aggregate Reynolds Consumer Products patents are of material importance to Reynolds Consumer Products business, Reynolds Consumer Products believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Reynolds Consumer Products does not believe that any of its licenses from third parties are material to its business taken as a whole. Reynolds Consumer Products does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

New Product Development

New product innovation is an important component of Reynolds Consumer Products business strategy. Reynolds Consumer Products and Pactiv Foodservice operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois.

Over the years Reynolds Consumer Products has focused on developing innovative products that address consumers unmet needs, as well as developing products that replace or upgrade existing items. Reynolds Consumer Products has a strong history of adding innovative features to its products, such as the slider closure on food storage bags, the gripper feature on waste bags, which prevents the bag from falling into the trash can, an unscented odor block feature to waste bags, which blocks odors without adding a cover-up scent, and the non-stick coating added to the foil in its Reynolds Wrap non-stick product line, which provides easy release from the cooking surface.

In some instances Reynolds Consumer Products store branded strategy is that of a fast-follower of newly introduced product innovations, replacements and upgrades. The Double Zipper storage bag is an example of a fast-follower product while delivering national brand equivalent quality. Reynolds Consumer Products partners with key customers to develop store branded products that emulate popular branded consumer products. For example, Reynolds Consumer Products recently commercialized the SuperFlex Disposer Bag in its store branded product offering, designed to provide the same benefits as branded disposer bag offerings, with increased elasticity and improved puncture resistance.

Information Technology

Reynolds Consumer Products is in the process of integrating information technology systems as part of the Pactiv Acquisition. At the present time, our Reynolds consumer products business shares an Oracle EBS information systems platform with Closures and a portion of the Reynolds foodservice packaging business.

Our Hefty consumer products business shares its information systems platform with our Pactiv foodservice packaging business. This platform primarily uses SAP enterprise resource planning applications to manage a majority of its processes, supplemented by other bolt-on or stand-alone systems.

Employees

As of December 31, 2011, Reynolds Consumer Products employed approximately 3,600 people located primarily in its manufacturing facilities in the United States. In the United States, labor unions are present at three facilities, representing approximately 750 workers. Typical agreements with labor unions are four years in length, with the current agreements expiring between 2014 and 2015. Reynolds Consumer Products has not experienced any significant union-related work stoppages over the past five years, and management considers its relationship with its employees and labor unions to be satisfactory.

Insurance

Reynolds Consumer Products maintains the types and amounts of contractual and third-party insurance coverage customary in the industry in which it operates. We believe that Reynolds Consumer Products insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

Regulatory

Reynolds Consumer Products business is subject to a broad range of federal, state and local laws and regulations governing environmental and health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of employees, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. For example, some of Reynolds Consumer Products sites have a history of industrial operations that include the use or handling of hazardous materials. While Reynolds Consumer Products is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. Reynolds Consumer Products could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including additional permit requirements or investigation or regulation of the potential health hazards of certain of Reynolds Consumer Products products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on the business, financial condition or results of operations of Reynolds Consumer Products.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Reynolds Consumer Products. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These initiatives may cause Reynolds Consumer Products to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from Reynolds Consumer Products suppliers, customers, or both incurring additional compliance costs that could get passed through to Reynolds Consumer Products or impact product demand.

Legal Proceedings

Reynolds Consumer Products is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Reynolds Consumer Products financial position, results of operations or cash flows.

Pactiv Foodservice

Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. We believe Pactiv Foodservice holds a leading market position in many of its product lines in the U.S. foodservice market based on our industry knowledge and analysis of available data. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Pactiv Foodservice distributes its foodservice and food packaging products through foodservice distributors, food processors, supermarket distributors, supermarkets and restaurants. Pactiv Foodservice has a large customer base and operates primarily in North America.

The following tables show total segment revenue by product group and revenue by geographic region for Pactiv Foodservice for each of the years ended December 31, 2011, 2010 and 2009:

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	Pactiv Foodservice Revenue by Product Group		
	2011	2010*	2009**
	(In $ million)		
Clear Plastics	$ 916	$ 851	$ 333
Foam	698	646	
Tableware	538	496	
Specialty Packaging	457	367	
Paper Food Packaging	448	194	15
Aluminum	192	149	74
Other	199	232	161
Film			156
Total	**$ 3,448**	**$ 2,935**	**$ 739**

	Pactiv Foodservice Revenue by Geographic Region		
	2011	2010*	2009**
	(In $ million)		
United States	$ 2,931	$ 2,479	$ 621
Canada	189	127	44
Europe	146	148	59
Mexico	130	110	15
Asia	52	71	
Total	**$ 3,448**	**$ 2,935**	**$ 739**

* Amounts based on our Reynolds foodservice packaging and Pactiv foodservice packaging businesses combined revenue for the full year ended December 31, 2010.

** Amounts do not include revenue of the Pactiv foodservice packaging business acquired in November 2010 as part of the Pactiv Acquisition.

History

Reynolds Metals Company was founded in 1919 as the U.S. Foil Company. In 1926, the company began producing aluminum foil for packaging. In 1947, the company introduced its most famous product, Reynolds Wrap Aluminum Foil. In 2000, Alcoa merged with Reynolds Metals Company, which, in addition to offering a broad range of consumer and foodservice products, was also one of the largest aluminum producers in the world. In 2002, Alcoa acquired Ivex Packaging Corporation, which broadened the position of the Reynolds foodservice packaging business in the foodservice packaging industry. In 2008, the Reynolds foodservice packaging business was indirectly acquired by Mr. Graeme Hart, our strategic owner, as part of the Reynolds Acquisition.

Pactiv s foodservice/food packaging business was originally part of Packaging Corporation of America, or PCA, which was acquired by Tenneco Inc. in 1965. PCA manufactured paperboard and various paperboard products as well as certain plastic and aluminum food packaging products. In 1995, PCA was renamed Tenneco Packaging Inc. and acquired Mobil Plastics Company and in 1996 acquired Amoco Foam Products Company, which expanded its foodservice offering significantly. In April 1999, Tenneco Packaging Inc. sold its paperboard business to a new company and in November 1999 Tenneco Packaging Inc. (which was renamed Pactiv Corporation) was spun-off to Tenneco Inc. s stockholders. Pactiv has made various acquisitions, including Prairie Packaging Inc. in 2007 and PWP Industries Inc. in April 2010. In November 2010, we acquired Pactiv, and we began the integration of our Reynolds foodservice packaging and Pactiv foodservice packaging businesses into our integrated Pactiv Foodservice segment. The integration was

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substantially completed as of December 31, 2011. In May 2011, we acquired Dopaco and began the integration of Dopaco into our Pactiv Foodservice segment.

Products

Pactiv Foodservice is a leading manufacturer of packaging products to the foodservice, supermarket, restaurant, and food packaging markets. Pactiv Foodservice s products are designed to protect food during distribution, aid retailers and food processors in merchandising food products, and help customers prepare and serve meals in their homes. Pactiv Foodservice has a very broad portfolio of products with a continual emphasis on adding new product lines. Pactiv Foodservice s products include tableware items, such as plates, bowls, cups, cutlery and straws, clear plastic containers, microwaveable plastic, food service plastic film, foam, molded fiber, paperboard, and aluminum containers. Supermarket products include clear rigid-display packaging for delicatessen and bakery applications, microwaveable containers for prepared, ready-to-eat meals and foam trays for meat and poultry. Products sold to food processors include clear rigid packaging, dual ovenable containers for entrees, molded fiber egg cartons, meat trays and aluminum containers. Products are manufactured using plastics, aluminum, molded fiber for egg packaging and paper for prepared meals packaging. In addition, Pactiv Foodservice also sells plastic sheet to thermoformers made with various resins such as PET, PS and PP.

Customers

Pactiv Foodservice s customer base includes leading international companies, large national and regional customers, and smaller local businesses, with its largest presence in North America. Pactiv Foodservice s customers include foodservice distributors, food processors, restaurants, supermarket distributors, supermarkets and manufacturers. In 2011, Pactiv Foodservice s top ten customers accounted for 45% of the segment s revenue with one customer accounting for 12% of revenue.

Pactiv Foodservice generally sells its products on either a purchase order basis or under formal supply agreements with durations ranging from one to three years. A majority of Pactiv Foodservice s revenue is from supply agreements with raw material cost pass-through mechanisms, with the remainder sold on an open market.

Competition

The U.S. foodservice packaging market is relatively mature but also very fragmented, with Pactiv Foodservice being one of a few participants with a product range that spans a significant portion of foodservice product categories. Our competitors in the U.S. foodservice market include large companies that offer several competing products and a range of smaller competitors with only single product offerings. Pactiv Foodservice primarily competes on the basis of price, breadth of product offerings, product features, performance, speed to market, distribution capabilities and product innovation.

Marketing and Sales

Pactiv Foodservice primarily uses a direct sales force to sell to foodservice and food packaging customers and also utilizes third-party brokers for selected products and accounts. Pactiv Foodservice s marketing and sales effort is premised on the One Face to the Customer value proposition which uses one sales representative per account to produce one order which is supported by one customer service representative that is responsible for one shipment with one invoice. In addition to the sales professionals, the sales organization includes customer service representatives, marketing teams and an internal logistics and transportation team.

Manufacturing

Pactiv Foodservice operates 50 manufacturing plants in North America and three in Europe and has two joint ventures in China. At 28 of its facilities, Pactiv Foodservice manufactures products for Reynolds Consumer Products. Pactiv Foodservice also operates several distribution facilities in the United States. Pactiv

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Foodservice manages its manufacturing plants by grouping them into value streams based on common raw materials, similar manufacturing processes and products. Each value stream is managed by a value stream director. The directors have responsibility for all plants that produce a specific process. The value streams are integral to a disciplined and lean operating system that provides consistent operating practices and metrics across all value streams.

Pactiv Foodservice utilizes a variety of production processes, including foil and paper processing, injection molding, thermoforming and extrusion. A focus on continuous improvement, lean manufacturing system initiatives and teamwork has resulted in better customer service measured by case fill, on time delivery and quality performance metrics.

Pactiv Foodservice provides a low-cost, efficient distribution system where it utilizes two distribution models. Direct distribution, primarily for processors and supermarkets, sends products straight from the factory to the customer. Pactiv Foodservice contracts with the customer to send full truck loads only. The second distribution model is based around five regional mixing centers. These two distribution models yield significant cost savings for Pactiv Foodservice which are shared with customers. Pactiv Foodservice and Reynolds Consumer Products also operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois.

Raw Materials and Suppliers

Pactiv Foodservice s principal raw materials include resins, aluminum and paper. In 2011, the total value of raw materials was $1,845 million and represented 68% of the segment s total cost of sales, excluding depreciation and amortization. Plastic resins accounted for 64% of raw material costs for the year, while aluminum, steel, paper and other raw materials collectively accounted for 36%.

The prices of Pactiv Foodservice s raw materials fluctuate with market movements in commodity prices. Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminum prices have been historically volatile as aluminum is a cyclical commodity with prices subject to global market factors. These factors include speculative activities by market participants, production capacity, strength or weakness in key end markets such as housing and transportation, political and economic conditions and production costs in major production regions. The price of cartonboard may fluctuate widely due to external conditions such as weather, product scarcity, currency and commodity market fluctuations and changes in governmental policies and regulations. Pactiv Foodservice is also sensitive to other energy-related cost movements and in particular those that affect transportation and utility costs.

In order to minimize the impact of price fluctuations, Pactiv Foodservice utilizes customer supply agreements that provide for prices that change based on published index movements. In 2011, 60% of the segment s revenue was from supply agreements which contained raw material cost pass-through mechanisms. Pactiv Foodservice uses price increases to mitigate the effects of raw material cost increases for products sold to customers that do not have raw material cost pass-through mechanisms.

We believe that Pactiv Foodservice s relationships with its suppliers are satisfactory.

Centralized purchasing enables Pactiv Foodservice to leverage its purchasing power for core raw materials and reduces its dependence on any one supplier. Pactiv Foodservice sources its raw materials from a variety of suppliers and maintains multiple suppliers for each input. Pactiv Foodservice typically has contracts with resin suppliers, which have historically provided Pactiv Foodservice with a steady supply of raw materials. Pactiv Foodservice has not historically experienced any significant interruptions of key raw material supplies. Pactiv Foodservice has also undertaken programs to consolidate its supplier base and achieve savings by taking advantage of the economies of scale afforded by its increased purchasing volume. Pactiv Foodservice has continuous improvement programs focused on cost reduction and productivity improvements. Existing programs in lean manufacturing allow for better inventory management. In addition, Pactiv Foodservice s scale and knowledge of the resin market contribute to efficient raw materials management.

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Quality Management

Pactiv Foodservice is committed to a quality management philosophy that aims to achieve continuous improvement in all stages of the production process through the involvement of management, customers, and employees. Pactiv Foodservice uses a stringent technique of hazard analysis and critical control points to identify critical aspects of quality management as well as methods and tools to identify key areas for improvement that result in a reduction of waste and downtime at its facilities.

Intellectual Property

Pactiv Foodservice has a significant number of registered patents and registered trademarks which, along with trade secrets and manufacturing know-how, help support Pactiv Foodservice s ability to add value within the market and sustain its competitive advantages. Pactiv Foodservice has invested a considerable amount of resources in developing its proprietary products and manufacturing capabilities, and it employs various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect its intellectual property. Pactiv Foodservice uses internal and external resources to carefully manage its intellectual property portfolio. In addition, the business looks to actively defend its intellectual property rights throughout the world. Pactiv Foodservice performs internal analysis to decide whether to sue for patent infringements, initiate opposition procedures or counter-actions or buy patents and sign license agreements for the use of foreign patents. We believe that the intellectual property and licensing rights held are adequate for the business.

While in the aggregate Pactiv Foodservice s patents are of material importance to Pactiv Foodservice s business, Pactiv Foodservice believes that its business is not dependent upon any single patent or group of patents. Generally, registered trademarks have perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. Other than licenses for commercially available software, Pactiv Foodservice does not believe that any of its licenses from third parties are material to its business taken as a whole. Pactiv Foodservice does not believe that any of its licenses to intellectual property rights granted to third parties are material to its business taken as a whole.

Information Technology

Pactiv Foodservice is in the process of integrating information technology systems as a result of the Pactiv Acquisition. At the present time, our Reynolds foodservice packaging business shares an Oracle EBS information systems platform with Closures and a portion of the Reynolds consumer products business.

Our Pactiv foodservice packaging business shares its information systems platform with the Hefty consumer products business. This platform primarily uses SAP enterprise resource planning applications to manage a majority of its processes, supplemented by other bolt-on or stand-alone systems.

Employees

As of December 31, 2011, Pactiv Foodservice employed approximately 11,800 people located primarily in its manufacturing facilities in the U.S. Labor unions are present at eight U.S. facilities and at three international locations, representing approximately 1,000 workers. Typical agreements with labor unions are three to four years in term, with the current agreements expiring between 2012 and 2014. Pactiv Foodservice has not experienced any significant union related work stoppages over the last five years, and Pactiv Foodservice s management considers its relationship with its employees and labor unions to be satisfactory.

Insurance

Pactiv Foodservice maintains the types and amounts of contractual and third-party insurance coverage customary in the industry in which it operates. We believe that Pactiv Foodservice s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

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Regulatory

Pactiv Foodservice s business is subject to a broad range of foreign, federal, state and local laws and regulations, including those governing environmental and health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of Pactiv Foodservice s employees as well as users of Pactiv Foodservice s products, regulate the materials used in, and the recycling of, products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. These laws also regulate, and in certain instances ban products, that may be deemed harmful to the environment.

Pactiv Foodservice could be held liable for the costs to address contamination of any real property it has ever owned, operated or used as a disposal site. Pactiv Foodservice is currently investigating, remediating or otherwise addressing contamination at several of its facilities. Pactiv Foodservice also could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws or in connection with releases of hazardous or other materials.

In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including investigation or regulation of certain of Pactiv Foodservice s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on Pactiv Foodservice s business, financial condition or results of operations. Similarly, any environmental laws or initiatives, including those that may be proposed in the future, seeking to ban or limit the use of any of Pactiv Foodservice s products, such as polystyrene-based containers, packaging and other products, could have a material adverse effect on Pactiv Foodservice s business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Pactiv Foodservice. For example, the U.S. Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These and other foreign, federal and state climate change initiatives may cause Pactiv Foodservice to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from Pactiv Foodservice s suppliers, customers or both incurring additional compliance costs that could get passed through to Pactiv Foodservice or impact product demand.

Legal Proceedings

Pactiv Foodservice is a party to various litigation matters arising in the ordinary course of business. We cannot estimate with certainty the ultimate legal and financial liability with respect to these litigation matters but believe, based on examination of these matters, experience to date and discussions with counsel, that any ultimate liability will not be material to Pactiv Foodservice s financial position, results of operations or cash flows.

Graham Packaging

Graham Packaging, including the operations and activities of Graham Holdings, is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. We believe that Graham Packaging has the number one market share positions in North America for hot-fill juices, sports drinks/isotonics, yogurt drinks, liquid fabric care, dish detergents, motor oil and certain other products measured by volume based on our analysis of industry data. Graham Packaging operates in product categories where customers and end users value the technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials such as glass, metal and paperboard. Graham Packaging selectively pursues opportunities where it can leverage its

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technology portfolio to continue to drive the trend of conversion to plastic containers from other packaging materials.

Graham Packaging strives to provide the highest quality products to its customers, while continually eliminating inefficiency and reducing costs. Graham Packaging is committed to improving productivity and reducing non-value-added activities and costs in its production processes, purchasing activities, selling, general and administrative expenses, capital expenditures and working capital. For example, from January 1, 2006 through September 30, 2010, Graham Packaging closed or merged several plants that did not meet its internal performance criteria, implemented information systems to analyze customer profitability which drove subsequent improvement actions and the exit from certain relationships, centralized nearly all procurement activities and benchmarked and subsequently reduced selling, general and administrative expenses. Graham Packaging utilizes a bi-weekly performance management review of its continuous improvement process, by which it measures performance and tracks progress on initiatives relating to safety, quality, productivity, capital expenditures, working capital and other actions leading to improved financial performance. Overall, Graham Packaging has a strong pipeline of specific cost reduction opportunities, which it intends to implement to optimize its cost structure.

We acquired Graham Packaging on September 8, 2011. The following tables show total segment revenue by product group and revenue by geographic region for Graham Packaging on a pro forma basis as if we owned the business for each of the years ended December 31, 2011, 2010 and 2009:

	Graham Packaging Revenue by Product Group		
	2011	**2010**	**2009**
	(In $ million)		
Food & Beverage	$ 2,064	$ 1,586	$ 1,386
Household	538	443	423
Automotive Lubricants	329	320	291
Personal Care	166	164	171
Total	**$ 3,097**	**$ 2,513**	**$ 2,271**

	Graham Packaging Revenue by Geographic Region		
	2011	**2010**	**2009**
	(In $ million)		
North America	$ 2,696	$ 2,178	$ 1,942
Europe	254	226	236
Other	147	109	93
Total	**$ 3,097**	**$ 2,513**	**$ 2,271**

History

Graham Packaging was incorporated in Delaware under the name BMP/Graham Holdings Corporation on November 5, 1997 in connection with a recapitalization transaction in which the Blackstone Group L.P. (Blackstone) and its affiliates, management and other investors became the indirect holders of 85% of the partnership interests of Graham Packaging Holdings Company, a subsidiary of Graham Holdings, which was completed on February 2, 1998. The predecessor to Graham Holdings was formed in the mid-1970s as a regional domestic custom plastic container supplier. On October 7, 2004, Graham Packaging acquired the blow molded plastic container business of Owens-Illinois, Inc., which essentially doubled its size. On December 10, 2009, Graham Packaging changed its name to Graham Packaging Company Inc. Graham Packaging Company Inc. became a publicly-traded entity on the New York Stock Exchange on February 10, 2010. On September 23, 2010, Graham Packaging acquired Liquid Container L.P., and its subsidiaries, a manufacturer of blow molded plastic containers that primarily services the food and household product categories. On September 8, 2011, we acquired Graham Packaging.

Products

Graham Packaging s ability to develop new, innovative containers to meet the design and performance requirements of its customers has established Graham Packaging as a market leader. Graham Packaging has demonstrated significant success in designing plastic containers that require customized features such as complex shapes, reduced weight, handles, grips, view stripes and pouring features. These packages often must meet specialized performance and structural requirements such as hot-fill capability, recycled material usage, oxygen barriers, flavor protection and multi-layering. Hot-fill technology allows customers products to be heated to temperatures high enough to sterilize the inside of the container. In addition to increasing global demand for its customers products, Graham Packaging believes that its innovative packaging stimulates consumer demand and drives further conversion to plastic packaging. Consequently, Graham Packaging s strong design capabilities have been especially important to its food and beverage customers, who generally use packaging to differentiate and add value to their brands while spending less on promotion and advertising. Graham Packaging has been awarded significant contracts based on these unique product design capabilities that it believes set it apart from its competition.

Customers

Substantially all of Graham Packaging s sales are made to major branded consumer products companies. The products Graham Packaging manufactures for its customers require innovative packaging design and engineering to accommodate complex container shapes, specific material requirements and functionality. Customers also require quick and reliable delivery. As a result, many customers opt for long-term contracts. Graham Packaging s long-term supply contracts with its on-site customers typically have terms of up to ten years. Graham Packaging s long-term supply contracts for production off-site typically have terms that range from three to five years. Both of these categories of contracts either renew automatically for subsequent one year terms or are renegotiated by Graham Packaging before expiration of the initial term. All of Graham Packaging s top twenty customers are under long-term contracts. Graham Packaging s contracts typically contain provisions allowing for price adjustments based on changes in raw materials and, in a majority of cases, the cost of energy and labor, among other factors. Graham Packaging is often the sole supplier of its customers custom plastic container requirements nationally, regionally or for a specific brand. In 2011, Graham Packaging s top ten customers accounted for 48% of the segment s net sales, and no single customer accounted for more than 10% of the segment s net sales.

Competition

Graham Packaging faces substantial regional and international competition across its product lines from a number of well-established businesses. Graham Packaging faces competition from most of its competitors across several of its product categories. Competition is based on several factors including price, product design, technology (such as barrier protection and lightweighting) and customer service. Several of Graham Packaging s competitors are larger and have greater financial and other resources than Graham Packaging. In addition, several of its competitors sell other products used by Graham Packaging s customers such as cans or flexible packaging which can be bundled with plastic containers in sales proposals. We believe that Graham Packaging competes effectively because of its superior levels of service, speed to market and product design and development capabilities.

Marketing and Sales

Graham Packaging s sales are made primarily through its own direct sales force, as well as selected brokers. Sales activities are conducted from Graham Packaging s corporate headquarters in York, Pennsylvania and from field sales offices located in North America, Europe, South America and Asia. Graham Packaging s products are typically delivered by truck, on a daily basis, in order to meet customers just-in-time delivery requirements, except in the case of on-site operations. In many cases, Graham Packaging s on-site operations are integrated with its customers manufacturing operations so that deliveries are made, as needed, by direct conveyance to the customers filling lines. Graham Packaging utilizes a number of outside warehouses to store its finished goods prior to delivery to the customer.

Manufacturing

A critical component of Graham Packaging s strategy is to locate manufacturing facilities on-site, reducing expensive shipping and handling charges, providing instantaneous quality acceptance feedback and increasing distribution efficiencies. Graham Packaging often provides on-site manufacturing arrangements. Graham Packaging has a network of 99 manufacturing facilities and approximately one-third of these manufacturing facilities are located on-site at its customers plants. Graham Packaging operates over 975 production lines. Graham Packaging sometimes dedicates particular production lines within a plant to better service customers. The plants generally operate 24 hours a day, five to seven days a week, although not every production line is run constantly. When customer demand requires, the plants run seven days a week. Most customer orders are manufactured with a lead time of three weeks or less. Historically, demand for Graham Packaging s products has not been subject to large seasonal fluctuations.

Graham Packaging utilizes a variety of production processes, including blow molding and injection molding. We believe that the injection molders and blow molders used by Graham Packaging are widely recognized as the leading technologies for high speed production of hot-fill PET containers. Graham Packaging also operates a variety of bottle labeling and decorating platforms, which is accomplished through in-mold techniques or post-molding methods. Typically, these decoration methods are used for bottles in the personal care/specialty product category.

Graham Packaging has implemented various process improvements to minimize labor costs, automate assembly tasks, increase throughput and improve quality. In addition, Graham Packaging has highly modernized equipment in the majority of its plants, consisting primarily of rotational wheel systems and shuttle systems, both of which are used for HDPE, PP and extrusion polyethylene teraphthalate, or EPET, blow molding, and injection-stretch blow molding systems for value-added PET containers. Graham Packaging is also pursuing development initiatives in barrier technologies to strengthen its position in the food and beverage product category.

Raw Materials and Suppliers

Resins constitute the primary raw materials used to make Graham Packaging s products. These materials are available from a number of domestic and international suppliers and Graham Packaging is not dependent upon any single supplier. In 2011, the total value of raw materials, on a pro forma basis as if we owned the business for the entire year, was $1,602 million and represented 64% of Graham Packaging s total cost of sales, excluding depreciation and amortization.

Typically, Graham Packaging does not enter into long-term supply agreements with its suppliers. Graham Packaging considers the supply and availability of raw materials to be adequate to meet its needs. We believe that Graham Packaging maintains an adequate inventory to meet demand. Resin prices can fluctuate significantly with fluctuations in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Changes in the cost of resin are passed through to customers by means of corresponding changes in product pricing in accordance with Graham Packaging s agreements with these customers and industry practice. Graham Packaging operates a large HDPE bottles-to-bottles recycling plant in York, Pennsylvania, and uses the recycled materials from this plant and other recycled materials in a majority of Graham Packaging s products.

Quality Management

Graham Packaging maintains quality assurance and control programs with respect to the performance of the products it manufactures, the performance of its suppliers and the compliance of its operations to its quality management system and sound manufacturing practices. Graham Packaging s production lines are equipped with specific quality control inspection equipment and its employees continuously monitor product attributes and performance through a comprehensive Statistical Process Control system. Quality control laboratories are maintained at each manufacturing facility to test its products and validate their compliance with customer requirements. Graham Packaging continuously monitors and enhances its quality assurance and

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control programs to keep pace with the most current technologies and to meet and exceed customer expectations.

Intellectual Property

Graham Packaging holds a significant number of trademarks and several issued or pending patents. While in the aggregate the patents are of material importance to its business, Graham Packaging believes that its business is not dependent upon any one single patent, group of patents or trademark. Graham Packaging also relies on unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain its competitive position. Third parties could, however, obtain knowledge of this proprietary know-how through independent development or other unauthorized access. In addition to its own patents and proprietary know-how, Graham Packaging is a party to licensing arrangements and other agreements authorizing it to use other proprietary processes, know-how and related technology and/or to operate within the scope of certain patents owned by other entities. In some cases, the licenses granted to Graham Packaging are perpetual and in other cases, the term of the license is related to the life of the patent associated with the license. Other than licenses for commercially available software, Graham Packaging does not believe that any of its licenses from third parties are material to its business taken as a whole. Graham Packaging also has licensed some of its intellectual property rights to third parties. Graham Packaging does not believe any of these licenses are material to its business taken as a whole.

New Product Development

Graham Packaging s technical capability has been enhanced through its Global Innovation & Design Center in York, Pennsylvania. Graham Packaging also has two major Technology Centers in York, Pennsylvania and Warsaw, Poland capable of producing limited quantities of new products and refurbishing equipment. Graham Packaging s Warsaw facility also manufactures and assembles a proprietary line of extrusion blow molding machines. This proprietary technology has enabled Graham Packaging to develop a leaner, more efficient manufacturing process.

Graham Packaging has an advanced multi-layer injection technology, trade named SurShot®. Graham Packaging believes that SurShot® is among the best multi-layer PET technologies available and billions of plastic containers are produced and sold each year using SurShot® technology. This multi-layer technology allows Graham Packaging s customers to package oxygen and flavor-sensitive products, such as fruit juices, beer and teas, for extended shelf- life. In addition, the SurShot® technology can accommodate up to 40% post-consumer recycled resin. This is an important component of packaging sustainability. There has been increasing demand by customers for Graham Packaging s innovative packages that meet new sustainability requirements for reduced weight. Recent introductions of Escape®, G-Lite® and SlingShot™ technologies for PET bottles provide customers with improved features such as reduced container weight, smooth sides for a premium look or improved stacking ability for shipping and storage. We believe these new products, along with Graham Packaging s design and development capabilities, have positioned Graham Packaging as a leader in packaging design, development and technology in the industry.

Graham Packaging incurs costs to research, design and develop new packaging products and technologies. Such costs, net of any reimbursement from customers, on a pro forma basis as if we owned the business for the entire years, were $9 million, $10 million and $10 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Information Technology

Graham Packaging s worldwide information technology organization provides IT services to all of its businesses. Graham Packaging uses the SAP enterprise resource planning application to support nearly all processes within its organization and also integrates other purchased and custom developed applications. Graham Packaging s SAP system is consolidated and operates from one data center in a location secured by an additional backup data center.

Employees

As of December 31, 2011, Graham Packaging had approximately 8,600 employees. Approximately 80% of Graham Packaging s employees are hourly wage employees, 43% of whom are represented by various labor unions and are covered by various collective bargaining agreements that expire between 2012 and 2014.

Insurance

Graham Packaging maintains the types and amounts of contractual and third-party insurance coverage customary in the industry in which it operates. We believe that Graham Packaging s insurance coverage is adequate for its business, both as to the nature of the risks and the amounts insured.

Regulatory

Graham Packaging s business is subject to a broad range of foreign, federal, state and local laws and regulations, including those governing environmental, health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal and management of hazardous substances and wastes, protect the health and safety of employees, regulate the materials used in and the recycling of products and impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances. Some of Graham Packaging s current and former sites have a history of industrial operations that include the use or handling of hazardous materials. While Graham Packaging is not aware of any such sites as to which material outstanding remedial obligations exist, the discovery of additional contaminants or the imposition of cleanup obligations at these or other sites in the future could result in substantial liability. As a result of Graham Packaging closing its plant located in Edison, New Jersey, Graham Packaging is subject to New Jersey s Industrial Site Recovery Act, or ISRA . ISRA specifies a process of reporting to the New Jersey Department of Environmental Protection, and, in some situations, investigating, cleaning up and/or taking other measures with respect to environmental conditions that may exist at an industrial establishment that has been shut down or is being transferred. Graham Packaging is in the process of implementing its obligations under ISRA regarding this facility and does not believe that the implementation will have a significant impact on the results of operations.

While Graham Packaging is not aware of any material non-compliance with applicable environmental laws and is not the subject of any material environmental claim, Graham Packaging could incur fines, penalties and sanctions and damages from third-party claims for property damage or personal injury as a result of violations of or liabilities under environmental laws. Based on existing information, we believe that it is not reasonably likely that losses related to known environmental liabilities, in aggregate, will be material to Graham Packaging s financial position, results of operations, liquidity or cash flows. However, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination or the imposition of other environmental liabilities in the future, including additional permit requirements or investigation or regulation of the potential health hazards of certain of Graham Packaging s products or business activities, may lead to additional compliance or other costs that could have a material adverse effect on the business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, governments have responded, and are expected to continue to respond, to these issues with increased legislation and regulation, which could negatively affect Graham Packaging. For example, the United States Congress has considered legislation to reduce emissions of greenhouse gases. In addition, the EPA is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act. These initiatives may cause Graham Packaging to incur additional direct costs in complying with any new environmental legislation or regulations, as well as increased indirect costs resulting from Graham Packaging suppliers, customers, or both incurring additional compliance costs that could get passed through to Graham Packaging or impact product demand.

A number of governmental authorities, both in the United States and abroad, have considered, are expected to consider or have passed legislation aimed at reducing the amount of disposed plastic wastes. Those programs have included, for example, mandating certain rates of recycling and/or the use of recycled materials, imposing deposits or taxes on plastic packaging material and/or requiring retailers or manufacturers to take back packaging used for their products. That legislation, as well as voluntary initiatives similarly aimed at reducing the level of plastic wastes, could reduce the demand for certain plastic packaging, result in greater costs for plastic packaging manufacturers or otherwise impact Graham Packaging s business. Some consumer products companies, including some of Graham Packaging s customers, have responded to these governmental initiatives and to perceived environmental concerns of consumers by using containers made in whole or in part of recycled plastic. To date, Graham Packaging has not been materially adversely affected by these initiatives and developments. Graham Packaging operates a large HDPE bottles-to-bottles recycling plant in York, Pennsylvania.

Legal Proceedings

On November 3, 2006, Graham Packaging filed a complaint with the Supreme Court of the State of New York, New York County, against Owens-Illinois, Inc. and OI Plastic Products FTS, Inc., collectively OI . The complaint alleges certain misrepresentations by OI in connection with Graham Packaging s 2004 purchase of the blow molded plastic container business of Owens-Illinois, Inc. and seeks damages in excess of $30 million. In December 2006, OI filed an answer and counterclaim, seeking to rescind a settlement agreement entered into between OI and Graham Packaging in April 2005, and disgorgement of more than $39 million paid by OI to Graham Packaging in compliance with that settlement agreement. Graham Packaging filed a motion to dismiss the counterclaim in July 2007, which was granted by the court in October 2007. On August 1, 2007, Graham Packaging filed an amended complaint to add additional claims seeking indemnification from OI for claims made against Graham Packaging by former OI employees pertaining to their pension benefits. These claims arise from an arbitration between Graham Packaging and Glass, Molders, Pottery, Plastic & Allied Workers, Local #171, or the Union, that resulted in an award on April 23, 2007, in favor of the Union. The Arbitrator ruled that Graham Packaging had failed to honor certain pension obligations for past years of service to former employees of OI, whose seven Union-represented plants were acquired by Graham Packaging in October 2004. In the amended complaint, Graham Packaging maintains that under Section 8.2 of the stock purchase agreement between Graham Packaging and OI, OI is obligated to indemnify Graham Packaging for any losses associated with differences in the two companies pension plans including any losses incurred in connection with the arbitration award. The litigation is proceeding.

Graham Packaging is a party to various other litigation matters arising in the ordinary course of business. The ultimate legal and financial liability of Graham Packaging with respect to such litigation cannot be estimated with certainty, but management believes, based on its examination of these matters, experience to date and discussions with counsel, that ultimate liability from Graham Packaging s various litigation matters will not be material to the business, financial condition, results of operations or cash flows of Graham Packaging.

Property, Plant and Equipment

Our business segments operate through a number of offices, manufacturing facilities and warehouses throughout the world. We generally own or lease our facilities under long-term leases. Some of our principal facilities are subject to mortgages and other security interests granted to secure indebtedness with certain financial institutions. We believe that our manufacturing facilities are well maintained and generally adequate to meet our needs for the foreseeable future.

SIG

SIG operates ten aseptic carton manufacturing plants located at seven production sites worldwide. SIG manufactures filling machines and components for its Combibloc system at three of its manufacturing facilities. SIG also operates the Whakatane paper mill located in New Zealand. We believe all of SIG s facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

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Evergreen

Evergreen operates two integrated pulp and paper mills and 13 sleeve production plants at locations worldwide and one separate extrusion facility. Evergreen also has two locations where it manufactures filling machines and components, one of which is also a sleeve production plant. We believe all of Evergreen s facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

Closures

Closures operates 32 manufacturing plants at locations worldwide. We believe all of Closures facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

Reynolds Consumer Products

Reynolds Consumer Products operates 12 manufacturing plants, all located in the United States. Reynolds Consumer Products and Pactiv Foodservice operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois. We believe all of Reynolds Consumer Products facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

Pactiv Foodservice

Pactiv Foodservice operates 50 manufacturing plants in North America and three in Europe and has two joint ventures in China. At 28 of its facilities, Pactiv Foodservice manufactures products for Reynolds Consumer Products. Pactiv Foodservice also operates several distribution facilities in the United States. Reynolds Consumer Products and Pactiv Foodservice operate a research and development center for new materials technology in Canandaigua, New York, and a customer innovation center in Bedford Park, Illinois. We believe all of Pactiv Foodservice s facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

Graham Packaging

Graham Packaging has a network of 99 manufacturing facilities of which approximately one-third of these manufacturing facilities are located on-site at its customers plants. We believe all of Graham Packaging s facilities are suitable for their respective operations and provide sufficient capacity to meet reasonably foreseeable production requirements.

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MANAGEMENT

We describe below the directors and senior management of RGHL, and the senior management of our SIG, Evergreen, Closures, Reynolds Consumer Products, Pactiv Foodservice and Graham Packaging segments and the Issuers of the notes. RGHL is ultimately controlled by Mr. Graeme Hart.

Members of the RGHL Group s senior management and the respective principal boards are as follows:

Directors of RGHL and Senior Management of the RGHL Group

Name	Role	Age
Directors:		
Graeme Hart	Sole indirect owner and Director of RGHL	56
Thomas Degnan	Director and Chief Executive Officer of RGHL	64
Bryce Murray	Director of RGHL	54
Gregory Cole	Director of RGHL	49
Senior Management of the RGHL Group:		
Allen Hugli	Chief Financial Officer of RGHL	49
Joseph Doyle	Group Legal Counsel of RGHL	52
Rolf Stangl	Chief Executive Officer of SIG	40
John Rooney	Chief Executive Officer of Evergreen	48
Malcolm Bundey	Chief Executive Officer of Closures	50
Lance Mitchell	Chief Executive Officer of Reynolds Consumer Products	52
John McGrath	Chief Executive Officer of Pactiv Foodservice	53
Mark Burgess	Chief Executive Officer of Graham Packaging	52

RGHL has no independent directors. The directors do not serve a specified term and can be removed at any time by the strategic owner.

Graeme Hart is the sole indirect owner and a director of RGHL. He is also the ultimate owner and a director of a number of companies, including Carter Holt Harvey Limited, which was previously listed on the New Zealand Stock Exchange and is in the business of building supplies, pulp and paper and wood products, mainly in Australia and New Zealand, UCI Holdings Limited and Autoparts Holdings Limited, leading suppliers to the light and heavy-duty vehicle aftermarket for replacement parts. In addition, Mr. Hart is the sole shareholder and a director of Rank Group and a director of a number of private investment companies.

Thomas Degnan is a director and the Chief Executive Officer of RGHL. He is also a director and officer of a number of companies within the RGHL Group. He also served as a director of Burns, Philp & Company Pty Limited and of Carter Holt Harvey Limited while both were public companies.

Bryce Murray is a director of RGHL. Mr. Murray is a member of the RGHL Audit Committee. In addition, he has an oversight role over a number of the operating companies in the RGHL Group. He also is a director of Rank Group and other entities owned by Mr. Hart. He also has primary responsibility for the operational management of the Carter Holt Harvey group of companies. He joined Rank Group in 1992 as Chief Financial Officer and held this position until 2004. During his time with Rank Group he held a number of roles involving financial control, financing, acquisitions, divestments and strategy. He also served as a director of Burns, Philp & Company Pty Limited and of Carter Holt Harvey Limited while both were public companies. Prior to joining Rank Group he was a partner with the accounting firm Deloitte Touche Tohmatsu (New Zealand).

Gregory Cole is a director of RGHL. Mr. Cole is a member of the RGHL Audit Committee. In addition, he is a director and officer of a number of other companies within the RGHL Group. He is also a director of Rank Group and other entities owned by Mr. Hart. He has been a senior executive of Rank Group since 2004. From 1994 to 2004, Mr. Cole was a partner with Deloitte Touche Tohmatsu, a firm he joined in 1986.

Allen Hugli is the Chief Financial Officer of RGHL. In addition, he is a director and officer of a number of other companies within the RGHL Group. He is also the Chief Financial Officer and a director of Rank Group and a director of other entities owned by Mr. Hart. He has been a senior executive of Rank Group since 1993. He has been the Chief Financial Officer of Burns, Philp & Company Pty Limited since 1999. Mr. Hugli previously held positions in financial management and audit practices in Australia, Canada and New Zealand.

Joseph Doyle is the Group Legal Counsel of RGHL. Mr. Doyle was appointed Group Legal Counsel following the Pactiv Acquisition. Prior to joining RGHL, Mr. Doyle was General Counsel for Pactiv from 2007 to 2010. Prior to joining Pactiv, he was a partner with the law firm Mayer Brown from 2001 to 2007.

Rolf Stangl is the Chief Executive Officer of SIG. He was appointed Chief Executive Officer and a member of the SIG executive board in November 2008. Prior to such appointment, Mr. Stangl was head of Global Market Operations of SIG Combibloc, the head of SIG Beverages from May 2007 until its divestment in April 2008 and the head of SIG Corporate Development and Mergers and Acquisitions for the period from May 2004 to April 2007. Prior to joining SIG, Mr. Stangl was an investment director at Syntek Capital AG, Chief Operating Officer and the founder of intainment.com AG, an internet start-up company, and a senior consultant at Roland Berger & Partner.

John Rooney is the Chief Executive Officer of Evergreen. He was appointed the Chief Executive Officer in May 2011. Mr. Rooney has worked at Evergreen since 1991 in a number of progressive leadership assignments including Plant Manager, International Marketing, Business Integration and General Manager of Evergreen Packaging Equipment. Most recently, Mr. Rooney led the North American Converting and Equipment businesses while also overseeing Sales & Operations Planning and Logistics & Distribution enterprise-wide for Evergreen.

Malcolm Bundey is the Chief Executive Officer of Closures. He was appointed the Chief Executive Officer of Closures in May 2011. Prior to such appointment, Mr. Bundey served as the Chief Executive Officer of Evergreen from 2008. He has been a senior executive with Rank Group since 2003. Mr. Bundey s other appointments within Rank Group have included Company Executive at Carter Holt Harvey Limited and Chief Financial Officer of Goodman Fielder for over three years through 2006 when he relocated to the U.S. with Rank Group in an executive capacity working on mergers and acquisitions. Prior to joining Rank, Mr. Bundey was a partner with Deloitte Touche Tohmatsu (Corporate Reorganization and Management Consulting Group) for five years, ultimately working with the firm for a total of fifteen years to September 2003.

Lance Mitchell is the Chief Executive Officer of Reynolds Consumer Products. He was appointed Chief Executive Officer in April 2011. Prior to such appointment, Mr. Mitchell served as President of Closures. Mr. Mitchell began his role with Closures under Alcoa in February 2006. Prior to joining Alcoa, Mr. Mitchell was the Group Vice President of PolyOne Corporation, a global polymer services company, the general manager at BF Goodrich, the general manager at the Geon Company and a business manager at Avery Dennison.

John McGrath is the Chief Executive Officer of Pactiv Foodservice. Mr. McGrath was appointed Chief Executive Officer in November 2010 following the Pactiv Acquisition. Prior to becoming Chief Executive Officer, Mr. McGrath served as Vice President of Sales, Marketing and Product Development for Pactiv s foodservice and food packaging division. Formerly, Mr. McGrath has been general manager of Pactiv s food processor business and prior to that, Vice President of Logistics. He has also held various positions in sales, marketing and product development throughout his career. Mr. McGrath is the past chairman of the Foodservice Packaging Institute (FPI) and currently serves on the board of directors of the International Foodservice Manufacturers Association.

Mark Burgess is the Chief Executive Officer of Graham Packaging. Mr. Burgess was appointed the Chief Executive Officer in January 2009. Prior to such appointment, Mr. Burgess served as the Chief Financial Officer of Graham

Packaging from December 2006 until April 2008 and as the Chief Operating Officer of Graham Packaging since April 2008. Previous to his employment at Graham Packaging, Mr. Burgess served as President and Chief Executive Officer of Anchor Glass Container Corporation from May 2005 until September 2006. He served as Executive Vice President and Chief Financial Officer of Clean Harbors Environmental Services, Inc. from April 2003 to April 2005. Mr. Burgess has also served in senior financial and operational management roles at JL French Automotive Castings, Trailmobile Corporation and Chase Manhattan Bank. Mr. Burgess currently serves as a Director on the Board of Polymer Group Inc., a privately held company.

Directors and Senior Management s Compensation

The aggregate compensation paid to our businesses key management and personnel, including incentive bonus payments, pension contributions, compensation for loss of office, and the estimated total value of benefits-in-kind granted to key management and personnel as a group during the period ended December 31, 2011 was $13 million. Directors of the RGHL Group do not receive compensation for their services in such capacities.

The directors of RGHL and the Chief Financial Officer of RGHL do not receive any incentive or variable pay as part of their compensation packages in those capacities. All other senior management of RGHL participate in annual incentive compensation plans that measure EBITDA and cash performance. Targets are set annually based on annual operating plans and goals. Awards are calculated on performance against the predetermined goals, with final individual payouts determined at the discretion of the directors of RGHL.

Senior management may participate in pension plans sponsored by the RGHL Group. For the year ended December 31, 2011, the RGHL Group set aside approximately $221,000 to provide pension, retirement and similar benefits for the senior management of RGHL. For more information regarding such pension plans, see notes 3.12 and 26.1 to the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

Directors and Senior Management s Service Contracts

No director has a service contract relating to his or her position as director.

Thomas Degnan has entered into an employment agreement with Rank Group North America Inc., a wholly-owned subsidiary of Rank Group. Allen Hugli has entered into an employment agreement with Rank Group. Joseph Doyle has entered into an employment agreement with Pactiv and RGHL. Rolf Stangl has entered into an employment agreement with SIG Combibloc. Malcolm Bundey has entered into an employment agreement with Evergreen Packaging, Inc. Lance Mitchell has entered into an employment agreement with Reynolds Foil Inc. (now known as Reynolds Consumer Products Inc.). John McGrath has entered into an employment agreement with Pactiv and RGHL. Mark Burgess has entered into an employment agreement with Graham Packaging Company, L.P. John Rooney has entered into an employment agreement with Evergreen Packaging, Inc.

Thomas Degnan and Allen Hugli are not employed by the RGHL Group and do not receive any remuneration of any kind from the RGHL Group. While neither Mr. Degnan nor Mr. Hugli is an employee of the RGHL Group, we expect they will continue to spend sufficient time to perform the services of Chief Executive Officer and Chief Financial Officer, respectively, for us.

Directors and Senior Management s Indemnification Agreements

Rank Group and RGHL have agreed to indemnify the directors and certain senior managers of the RGHL Group, as listed in the table under the heading Directors of RGHL and Senior Management of the RGHL Group above, in respect of decisions made, or actions taken, by these individuals on behalf of certain specified companies in their capacity as directors or senior managers of those companies on written instruction from a direct or indirect shareholder of either company in connection with any transactions or the approval or execution of any resolutions or documents in relation to the SIG Transaction, the RGHL Transaction, the Evergreen Transaction, the Reynolds Foodservice Acquisition, the Pactiv Transaction, the Dopaco Acquisition and the Graham Packaging Transaction. RGHL has agreed to indemnify certain of the directors and officers of the RGHL Group in connection with certain refinancing transactions. The indemnification agreements are jurisdiction and company specific agreements that provide for substantially the same terms, except that the agreements contain different limitations on the indemnification obligations of Rank Group and RGHL. Specifically, in the documents referred to as Letters of Indemnification the indemnification generally does not apply if payment for the indemnified liabilities is made under an insurance policy or by another source; and in the documents referred to as Deed Polls of Indemnification the indemnification generally does not apply to the extent that (i) indemnification is not permitted by applicable laws, (ii) the indemnified liabilities were the result of gross negligence, bad faith or willful misconduct by the indemnified individuals, (iii) payment for the indemnified liabilities is made under an insurance policy or by another source or (iv) the indemnified individual initiates proceedings.

In addition to the indemnification agreements listed above, we have also entered into indemnification agreements with officers of the RGHL Group other than our senior management, including an indemnification agreement with the directors and officers of each registrant in connection with this registration statement.

By a Deed Poll of Indemnification by Rank Group dated December 22, 2009, Rank Group indemnifies each person who, at or after the date of the deed poll, holds the office of director or statutory officer of (inter alia) any entity which it controls incorporated in Australia or New Zealand, including RGHL. Subject to certain limitations set out in the deed poll, including where the giving of such an indemnity is prohibited by law, each indemnified person is indemnified against any costs he or she incurs in any proceeding that relates to liability for any act done or omission made in his or her capacity as a director, statutory officer or employee of RGHL, in which proceeding such person is acquitted, or has judgment given in his or her favor, or which is discontinued.

We also issue our directors and officers insurance for director s and officer s liability and legal expenses. We have not included details about the nature of the liabilities covered or the amount of the premium paid in respect of such insurance contracts as such disclosure is prohibited under the terms of those contracts.

Board Committees

In March 2012, RGHL s board appointed an Audit Committee to oversee the financial reporting process including the hiring and performance of external auditors and to monitor the internal control process and the choice of accounting policies and principles. The members of the Audit Committee are Mr. Gregory Cole and Mr. Bryce Murray. The Audit Committee has adopted a charter under which the Audit Committee operates. The charter provides that the Audit Committee will be appointed annually by the board. The board may remove or replace members of the Audit Committee at any time.

RGHL does not have a Compensation Committee.

Employees

RGHL and its subsidiaries had approximately 36,000 and 25,500 employees as of December 31, 2011 and 2010, respectively. The increase is primarily the result of acquisitions, including Dopaco and Graham Packaging in 2011. Further information regarding the employees of each segment is included in Business Business Overview.

SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders and Beneficial Ownership

RGHL, BP I and BP II are indirectly wholly-owned by Mr. Graeme Hart. Other than Mr. Graeme Hart, no director or member of our executive team beneficially owns any shares of RGHL, BP I or BP II.

RGHL has issued 111,000,004 shares, which are all owned by Packaging Finance Limited, a New Zealand corporation, which is 100% owned by Packaging Holdings Limited, a New Zealand corporation, which is 100% owned by Mr. Graeme Hart. BP I has issued 13,063,527 shares and BP II has issued 1,000 shares, all of which are owned by RGHL.

Related Party Transactions

Other than our strategic owner, Mr. Graeme Hart, none of the directors, members of management or shareholders of the RGHL Group has or had any interest in any transactions with us which are or were unusual in their nature or conditions or significant to our business taken as a whole and that were effected during the current or immediately preceding fiscal year, or during any earlier fiscal year and which remain in any respect outstanding or unperformed. No loans are outstanding from us to any director or member of management and there are no guarantees provided by us for the benefit of any such person. In addition to the related party transactions discussed below, from time to time we enter into other transactions with affiliates which are not material to us or our affiliates.

For purposes of the agreements referred to in this section, the Hart Group refers to (i) Mr. Graeme Hart, (ii) his spouse and members of his immediate family (including siblings, children, grandchildren and children and grandchildren by adoption) and (iii) in the event of incompetence or death of any of the persons described in clauses (i) and (ii) hereof, such person s transferee by will, estate, executor, administrator, committee or other personal representative.

Acquisitions

Reynolds Foodservice Acquisition

On September 1, 2010, Reynolds Group Holdings Inc., an indirect wholly-owned subsidiary of RGHL, acquired all of the issued and outstanding shares of capital stock of Reynolds Packaging Inc. (now known as Reynolds Packaging Holdings LLC), and Closure Systems International B.V., an indirect wholly-owned subsidiary of RGHL, acquired all of the issued and outstanding shares of capital stock of Reynolds Packaging International B.V. and one equity interest in the corporate capital of Reynolds Metals Company de Mexico S. de R.L. de C.V., from Reynolds Packaging (NZ) Limited, an affiliated entity beneficially owned by our strategic owner, Mr. Graeme Hart, for a total consideration of $342 million (including certain post-closing adjustments), pursuant to the stock purchase agreement entered into by BP III, Reynolds Group Holdings Inc., Closure Systems International B.V., or collectively, the Reynolds Foodservice Buyers, and Reynolds Packaging (NZ) Limited.

Subject to the limitations contained in the stock purchase agreement, the Reynolds Foodservice Buyers, on the one hand, and Reynolds Packaging (NZ) Limited, on the other hand, have agreed to indemnify each other for losses resulting from inaccuracies in or breaches of the representations and warranties and covenants contained in the stock purchase agreement and Reynolds Packaging (NZ) Limited shall indemnify the Reynolds Foodservice Buyers for losses resulting from pre-closing income taxes of Reynolds Packaging Inc. (now known as Reynolds Packaging Holdings LLC) and Reynolds Packaging International B.V. and their subsidiaries that are not included as accruals on a closing statement furnished by BP III to Reynolds Packaging (NZ) Limited. Each party s indemnification liability for breach of most representations and warranties is capped at an aggregate liability of $30 million. Any claim for breach of certain fundamental representations is capped at the purchase price, as adjusted. Generally, claims for breaches of representations and warranties had to be made prior to September 1, 2011, provided, however, that (i) claims for inaccuracies in or breaches of certain fundamental representations and warranties (e.g., representations and warranties regarding organization, authority, title to shares, capitalization and brokerage and finders fees) may be made prior to the four year anniversary of the date of the closing of the Reynolds Foodservice Acquisition and (ii) claims with respect to Reynolds Packaging (NZ) Limited s inaccuracy or breach of its representation and warranty concerning tax matters may not be made following the closing of the Reynolds Foodservice Acquisition. In addition, no claim for indemnification may be asserted from and after the date on which all or a portion of the equity interests of Reynolds Packaging (NZ) Limited, the Reynolds Foodservice Buyers or any parent entity of Reynolds Packaging (NZ) Limited or the Reynolds Foodservice Buyers is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group. The parties agreed to bear equal responsibility for any transfer taxes arising from the Reynolds Foodservice Acquisition.

Evergreen Acquisition

On May 4, 2010, Reynolds Group Holdings Inc., an indirect wholly-owned subsidiary of RGHL, acquired all of the issued and outstanding shares of capital stock of Evergreen Packaging Inc. and SIG Combibloc Holding GmbH, an indirect wholly-owned subsidiary of RGHL, acquired all of the issued and outstanding shares of capital stock of Evergreen Packaging (Luxembourg) S.à r.l., from CHH, for a total purchase price of $1,612 million (including certain post-closing adjustments), pursuant to the reorganization agreement entered into by BP III, CHH, Reynolds Group Holdings Inc., Evergreen Packaging US and Evergreen Packaging New Zealand Limited on April 25, 2010.

Subject to the limitations contained in the reorganization agreement, BP III and CHH have agreed to indemnify each other for losses resulting from inaccuracies in or breaches of the representations and warranties and covenants contained in the reorganization agreement and CHH shall indemnify BP III for losses in excess of the taxes of Evergreen Packaging Inc., Evergreen Packaging (Luxembourg) S.à r.l. and their subsidiaries that are included as liabilities on the closing statement furnished by BP III to CHH. Each party s indemnification liability for breach of most representations and warranties is capped at an aggregate liability of $150 million. Any claim for breach of the title to shares and title to assets is capped at the purchase price, as adjusted. Generally, claims for breaches of representations and warranties had to be made prior to May 4, 2011, provided, however, that (i) claims for inaccuracies in or breaches of certain fundamental representations and warranties (e.g., representations and warranties regarding organization, authority, title to shares, capitalization and brokerage and finders fees) may be made prior to the four year anniversary of the date of the closing of the Evergreen Acquisition and (ii) claims with respect to CHH s inaccuracy or breach of its representation and warranty concerning tax matters may not be made following the closing of the Evergreen Acquisition. In addition, no claim for indemnification may be asserted from and after the date on which all or a portion of the equity interests of CHH, BP III or any parent entity of CHH or BP III is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group. The parties agreed to bear equal responsibility for any transfer taxes arising from the Evergreen Acquisition.

Whakatane Acquisition

On May 4, 2010, Whakatane Mill Limited, an indirect wholly-owned subsidiary of RGHL, purchased CHH s assets and liabilities associated with the Whakatane paper mill for a purchase price of $46 million, including certain post-closing adjustments, pursuant to the asset purchase agreement entered into by Whakatane Mill Limited and CHH on April 25, 2010.

Subject to the limitations contained in the asset purchase agreement, Whakatane Mill Limited and CHH have agreed to indemnify each other for losses resulting from inaccuracies in or breaches of the representations and warranties and covenants contained in the asset purchase agreement. Each party s indemnification liability for breach of most representations and warranties is capped at an aggregate liability of $15 million. Losses in connection with breaches of the title to assets representation are capped at the purchase price, as adjusted. Generally, claims for breaches of representations and warranties had to be made prior to May 4, 2011, provided, however, that (i) claims for inaccuracies in or breaches of certain fundamental representations and warranties (e.g., representations and warranties regarding organization, authority, title to assets and brokerage and finder s fees) may be made prior to the four year anniversary of the date of the closing of the Whakatane Acquisition and (ii) claims with respect to CHH s inaccuracy or breach of its representation and warranty concerning tax matters may not be made following the closing of the Whakatane Acquisition. Except to the extent reflected in the closing statement and the purchase price adjustment, any taxes of CHH are an excluded liability for which CHH remains liable. In addition, no claim for indemnification may be asserted from and after the date on which all or a portion of the equity interests of CHH, Whakatane Mill Limited or any parent entity of CHH or Whakatane Mill Limited is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group.

CHH granted to Whakatane Mill Limited a non-exclusive, non-transferable license to use certain names associated with CHH for a one-year term. This license expired on May 4, 2011.

Reynolds Consumer Acquisition

On November 5, 2009, BP III acquired from Reynolds Consumer Products (NZ) Limited, an affiliated entity beneficially owned by our strategic owner, Mr. Graeme Hart, all of the issued and outstanding shares of capital stock of Reynolds Consumer Products (Luxembourg) S.à r.l. for a purchase price of $15 million, and Reynolds Group Holdings Inc. acquired from Reynolds Consumer Products (NZ) Limited all of the issued and outstanding shares of capital stock of Reynolds Consumer Products Holdings Inc. (now known as Reynolds Consumer Products Holdings LLC) for a purchase price of $1,785 million, which together with the $15 million purchase price, we refer to as the Aggregate Purchase Price, less the amount of outstanding consolidated indebtedness of Reynolds Consumer Products Holdings Inc. (now known as Reynolds Consumer Products Holdings LLC) and its subsidiaries under a senior secured term loan facility and a senior secured revolving credit facility entered into in connection with the Reynolds Acquisition, which we refer to as the Reynolds Facility, as of the date of closing of the Reynolds Consumer Acquisition, pursuant to a stock purchase agreement entered into by BP III, Reynolds Consumer Acquisition Co., or together, the Reynolds Consumer Buyers, and Reynolds Consumer Products (NZ) Limited on October 15, 2009.

The Aggregate Purchase Price was subject to adjustments for consolidated net cash, working capital and benefit of earnings, resulting in an aggregate $3 million payable by Reynolds Consumer Products (NZ) Limited to Reynolds Consumer Acquisition Co. and BP III which amounts were satisfied by Reynolds Consumer Products (NZ) Limited in the form of certain intercompany debt arrangements.

Subject to the limitations contained in the Reynolds Consumer Purchase Agreement, the Reynolds Consumer Buyers, on the one hand, and Reynolds Consumer Products (NZ) Limited on the other hand, have agreed to indemnify each other for losses resulting from inaccuracies in or breaches of the representations and warranties and covenants contained in the stock purchase agreement and Reynolds Consumer Products (NZ) Limited will indemnify the Reynolds Consumer Buyers for losses in excess of $2 million resulting from pre-closing income taxes of Reynolds Consumer Products (Luxembourg) S.à r.l., Reynolds Consumer Products Holdings Inc. (now known as Reynolds Consumer Products Holdings LLC) and their respective subsidiaries arising in respect of the period after February 29, 2008. Such indemnification is capped at $195 million. Generally, claims for breaches of representations and warranties had to be made prior to November 5, 2010, provided, however, that (i) claims for inaccuracies in or breaches of certain fundamental representations and warranties (e.g., representations and warranties regarding organization, authority, title to shares, capitalization and brokerage and finding fees) may be made indefinitely and (ii) claims with respect to Reynolds Consumer Products (NZ) Limited s inaccuracy or breach of its representation and warranty concerning tax matters may not be made following the closing of the Reynolds Consumer Acquisition. In addition, no claim for indemnification may be asserted from and after any date on which all or a portion of the equity interests of Reynolds Consumer Products (NZ) Limited, or the Reynolds Consumer Buyers, or any parent entity of Reynolds Consumer Products (NZ) Limited or the Reynolds Consumer Buyers is issued or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group. The parties agreed to bear equal responsibility for any transfer taxes arising from the Reynolds Consumer Acquisition.

Closures Acquisition

On November 5, 2009, BP III acquired from Closure Systems International (NZ) Limited, an affiliated entity beneficially owned by our strategic owner, Mr. Graeme Hart, all of the issued and outstanding shares of capital stock of Closure Systems International (Luxembourg) S.à r.l. for a purchase price of $1,223 million, less the amount of outstanding consolidated indebtedness of Closure Systems International (Luxembourg) S.à r.l. and its subsidiaries under the Reynolds Facility as of the date of closing of the Closures Acquisition, pursuant to a stock purchase agreement entered into by BP III and Closure Systems International (NZ) Limited dated October 15, 2009. The purchase price was subject to adjustments for consolidated net cash, working capital and benefit of earnings, resulting in $8 million paid by BP III to Closure Systems International (NZ) Limited in the form of cash and certain intercompany debt arrangements.

Subject to the limitations contained in the stock purchase agreement, BP III and Closure Systems International (NZ) Limited have agreed to indemnify each other for losses resulting from inaccuracies in or breaches of the representations and warranties and covenants contained in the stock purchase agreement and Closure Systems International (NZ) Limited will indemnify BP III for losses in excess of $25 million resulting from the pre-closing income taxes of Closure Systems International (Luxembourg) S.à r.l. and its subsidiaries arising in respect of the period after February 29, 2008. Such indemnification is capped at $135 million. Generally, claims for breaches of representations and warranties had to be made prior to November 5, 2010, provided, however, that (i) claims for inaccuracies in or breaches of certain fundamental representations and warranties (e.g., representations and warranties regarding organization, authority, title to shares, capitalization and brokerage and finding fees) may be made indefinitely or until the latest date permitted by law and (ii) claims with respect to Closure Systems International (NZ) Limited s inaccuracy or breach of its representation and warranty concerning tax matters may not be made following the closing of the Closures Acquisition. In addition, no claim for indemnification may be asserted from and after any date on which all or a portion of the equity interests of Closure Systems International (NZ) Limited, BP III or any parent entity of Closure Systems International (NZ) Limited or BP III is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group. The parties agreed to bear equal responsibility for any transfer taxes arising from the Closures Acquisition.

Rank Group Loan Agreement

We are party to a loan agreement with Rank Group under which Rank Group may request and receive one or more advances up to an aggregate amount of the New Zealand dollar equivalent of $215 million or such other amount as agreed upon by us and Rank Group. Advances are unsecured, repayable on demand and subordinated on terms such that no payments can be made until the obligations under a Rank Group senior secured credit facility are repaid in full. Advances due from Rank Group accrue interest at a rate based on the average 90 day New Zealand bank bill rate, set quarterly, plus a margin of 3.25%. Interest is only charged or accrued if demanded by us. See note 30 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

No advances or repayments were made during the year ended December 31, 2010 or the year ended December 31, 2011. During 2010, interest was charged at 5.98% to 6.47%. On December 31, 2010, $256 million, inclusive of capitalized interest, was outstanding under the loan. During 2011, interest was charged at 5.90% to 6.25%. On December 31, 2011, $271 million, inclusive of capitalized interest, was outstanding under the loan.

Reynolds Treasury Loan Agreement

On August 23, 2011, the RGHL Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited, an affiliate of Rank Group. The loan bears interest at the greater of 2% and the 3-month EURIBOR rate plus 4.875%. The loan is unsecured and the repayment date will be agreed between the parties. See note 30 of the RGHL Group s audited financial statements as of and for the year ended December 31, 2011, included elsewhere in this prospectus.

During 2011, interest was charged at 6.875%. As of December 31, 2011, $23 million was outstanding under the loan.

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Indemnification Letter Agreements

Indemnification Letter Agreements Relating to Alcoa

In connection with the Reynolds Acquisition, Rank Group and Alcoa entered into an acquisition agreement, pursuant to which Rank Group acquired certain assets and entities that currently constitute our Reynolds foodservice packaging business, Reynolds consumer products business and Closures segment.

In connection with the RGHL Acquisition and the Reynolds Foodservice Acquisition, in which we acquired certain entities that currently constitute our Reynolds foodservice packaging business, Reynolds consumer products business and Closures segment from Rank Group, we entered into letter agreements pursuant to which Rank Group agreed, in its reasonable discretion, to enforce indemnification claims it may have against Alcoa, under its acquisition agreement with Alcoa, and remit any net proceeds received from such claims. The letters will terminate from and after any date on which all or a portion of the equity interests of Rank Group or the respective buyers of these companies and businesses or any parent entity of Rank Group is issued or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group.

Evergreen Indemnification Letter Agreement

In connection with the Initial Evergreen Acquisition, IP, CHH and Evergreen Packaging Inc. entered into a purchase agreement, pursuant to which CHH acquired from IP certain assets and entities that currently constitute our Evergreen segment.

In connection with the Evergreen Acquisition, in which we acquired certain entities that currently constitute our Evergreen segment from CHH, BP III entered into a letter agreement with CHH, pursuant to which CHH agreed, in its reasonable discretion, to enforce indemnification claims it may have against IP, under its purchase agreement with IP, and remit any net proceeds received from such claims to BP III. This letter will terminate from and after the date on which all or a portion of the equity interests of CHH, BP III or any parent entity of CHH or BP III is issued or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group.

Transition Services Letter Agreement

In connection with the Reynolds Acquisition by Rank Group, in which it acquired certain entities that currently comprise our Reynolds foodservice packaging business, Reynolds consumer products business and Closures segment, Rank Group purchased certain transition services from Alcoa pursuant to an agreement dated December 21, 2007.

In connection with the RGHL Acquisition, in which we acquired certain entities that constitute our Reynolds consumer products business and Closures segment from Rank Group, BP III entered into a transition services letter agreement with Rank Group, pursuant to which Rank Group agreed to continue to purchase for the benefit of Closures and our Reynolds consumer products business certain of the transition services that Rank Group purchased from Alcoa. The transition services include information technology and financial reporting services in various jurisdictions and were charged by Rank Group to our Reynolds consumer products business and Closures, as applicable, at cost. Pursuant to the terms of the transition services letter agreement, BP III paid, or caused Closures and our Reynolds consumer products business to pay, to Rank Group all fees payable by Rank Group under its agreement with Alcoa that were allocable to Closures or our Reynolds consumer products business. Rank Group s agreement with Alcoa expired on December 31, 2009 and Alcoa no longer provides transition services to Closures or our Reynolds consumer products business.

Whakatane Transition Services Agreement

In connection with the Whakatane Acquisition, Whakatane Mill Limited and CHH entered into a services agreement, pursuant to which Whakatane Mill Limited agreed to receive certain transition services from CHH and related entities. These services include payroll, accounts payable, accounts receivable, cash management, secondment of staff, corporate services, information technology, procurement and energy management. All of these services other than procurement and energy management have been terminated by Whakatane Mill Limited with effect from February 29, 2012. In addition, CHH agreed to lease an area of land close to the Whakatane paper mill to Whakatane Mill Limited for NZ$1 per annum to allow Whakatane Mill Limited to carry out certain maintenance activities.

CHH has novated to Whakatane Mill Limited an agreement with the electricity supplier for the Whakatane paper mill. Pursuant to the services agreement, if Whakatane Mill Limited must give security to such electricity supplier, CHH will satisfy such condition on behalf of Whakatane Mill Limited, subject to certain conditions. CHH currently provides such security to the electricity spot services supplier of the Whakatane paper mill on behalf of Whakatane Mill Limited. The services agreement also provides that as long as CHH provides credit control services to Whakatane Mill Limited, it will use reasonable endeavors to extend debtors insurance held by CHH in relation to payment default by its debtors to Whakatane Mill Limited. We estimate that the annual cost to Whakatane Mill Limited pursuant to this agreement is approximately NZ$2 million, exclusive of applicable Goods and Services Tax, or GST.

Whakatane Mill Limited may terminate the services agreement upon satisfaction of certain notice requirements. CHH may terminate (i) all the transition services if there is a change of control of either party by giving not less than six months notice, (ii) the security granted to the electricity supplier and the debtors insurance, upon change of control of either party, with effect from the date on which such occurs and (iii) the lease, with effect from the date which is not less than six months after the termination notice is provided to Whakatane Mill Limited. Either party may terminate the services agreement (i) in the case of insolvency of the other party or (ii) for any material breach.

IT Service Letter

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited entered into an agreement stating that, notwithstanding the terms of the Whakatane Transition Services Agreement (as described above), CHH will provide IT transition services to Whakatane Mill Limited even if third party consent to a necessary sub-license or sub-lease has not been obtained. However, if a counterparty to a lease or license objects on reasonable grounds to the granting of a sub-license or sub-lease or threatens legal action or the termination of existing contracts, CHH may cease to provide the transition services relating to that sub-license or sub-lease until that consent is obtained. The agreement will terminate upon the earlier of termination of IT services under the Whakatane Transition Services Agreement or a change of control of either party. The IT services under the Whakatane Transition Services Agreement have been terminated with effect from February 29, 2012. The IT Service Letter has therefore also terminated.

New Zealand Cartonboard Supply Agreement

In connection with the Whakatane Acquisition, Whakatane Mill Limited and CHH entered into a supply agreement, pursuant to which CHH agreed to purchase cartonboard products from Whakatane Mill Limited. Pursuant to the supply agreement, CHH was not obligated to purchase any specified minimum volumes, but was obligated to purchase a minimum of 90% of the CHH Group s (as defined therein) annual cartonboard supply requirements for its New Zealand business, subject to certain conditions and limitations. We estimate that the annual cost to CHH pursuant to this agreement was approximately NZ$13 million, exclusive of applicable GST. This supply agreement terminated with effect from March 1, 2011.

Australian Cartonboard Supply Agreement

In connection with the Whakatane Acquisition, Whakatane Mill Limited and Carter Holt Harvey Packaging Pty Limited, or CHH Packaging, entered into a supply agreement, pursuant to which CHH Packaging agreed to purchase cartonboard products from Whakatane Mill Limited. Pursuant to the supply agreement, CHH Packaging was not obligated to purchase any specified minimum volumes of the cartonboard products from Whakatane Mill Limited, but was obligated to purchase a minimum of 60% of the CHH Group s (as defined therein) cartonboard supply requirements for its Australian business, subject to certain conditions and limitations. We estimate that the annual cost to CHH Packaging pursuant to this agreement was

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approximately AU$43 million, exclusive of applicable GST. This supply agreement terminated with effect from March 1, 2011.

Pulpwood Fiber Procurement Agency Agreement

In connection with the Whakatane Acquisition, Carter Holt Harvey Pulp & Paper Limited, or CHH Pulp, an affiliated entity that is beneficially owned by our strategic owner, Mr. Graeme Hart, and Whakatane Mill Limited entered into a procurement agreement, pursuant to which CHH Pulp will manage an agreement with Tenon Limited dated July 1988, or the Tenon Agreement, relating to the purchase of approximately 115,000 green tons of pulp logs per annum for Whakatane Mill Limited s benefit. It is proposed that the Tenon Agreement will be assigned to Whakatane Mill Limited pursuant to the Whakatane purchase agreement or that Whakatane Mill Limited will enter into a supply agreement directly with the forest owners.

In addition, pursuant to the procurement agreement, Whakatane Mill Limited also agreed to appoint CHH Pulp as its exclusive agent for purchasing its additional requirement of approximately 55,000 green tons of wood fiber per annum for the Whakatane paper mill.

The term of the procurement agreement is five years from May 5, 2010. In consideration of the services provided by CHH Pulp under this agreement, Whakatane Mill Limited agreed to pay CHH Pulp an agency fee equal to the greater of: (i) NZ$4,000 per month or (ii) NZ$0.30 per green ton of wood fiber received by Whakatane Mill Limited in the relevant month under the Tenon Agreement and through CHH Pulp s procurement of the additional green tons of wood fiber. The procurement agreement may be terminated at any time (i) by Whakatane Mill Limited giving a minimum of six months written notice or (ii) by either party for cause. We estimate that the annual cost to Whakatane Mill Limited payable to CHH Pulp pursuant to this procurement agreement is approximately NZ$50,000, exclusive of applicable GST. Whakatane Mill Limited also agreed to pay third parties directly for procured fiber.

Pulp Supply Agreement

In connection with the Whakatane Acquisition, CHH Pulp and Whakatane Mill Limited entered into a supply agreement, pursuant to which Whakatane Mill Limited agreed to purchase all of its requirements of kraft pulp from CHH Pulp and CHH Pulp agreed to supply, to the extent that CHH Pulp is able, all of Whakatane Mill Limited s requirements for kraft pulp. The price paid for the kraft pulp is based on a pricing model as described in the supply agreement. The Pulp Supply Agreement may be terminated at any time (i) after December 31, 2013 by either party by giving a minimum of 12 months written notice or (ii) for cause. We estimate that the annual cost to Whakatane Mill Limited pursuant to this agreement is approximately NZ$53 million, exclusive of applicable GST.

NCC Fiber Supply Agreement

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited entered into a supply agreement, pursuant to which Whakatane Mill Limited agreed to purchase all of its requirements of new corrugated cardboard clippings from CHH and CHH agreed to supply all of Whakatane Mill Limited s requirements for new corrugated cardboard clippings.

During the first month of each quarter the price per metric ton is adjusted in accordance with a pricing model set forth in the supply agreement. The supply agreement may be terminated (i) at any time after January 1, 2014 by either party by giving a minimum of six months written notice, (ii) by Whakatane Mill Limited if it gives at least six months written notice to CHH and determines in good faith that it no longer requires new corrugated cardboard clippings permanently or (iii) for cause. We estimate that the annual cost to Whakatane Mill Limited pursuant to this agreement is approximately NZ$460,000, exclusive of applicable GST.

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Waste Disposal Agreement

In connection with the Whakatane Acquisition, CHH Pulp and Whakatane Mill Limited entered into a waste disposal agreement, pursuant to which CHH Pulp agreed to make a landfill, that is owned by CHH Pulp, available to Whakatane Mill Limited (i) for disposal of permitted waste produced by the Whakatane paper mill up to a maximum of 16,000 tons per annum until termination of the agreement and (ii) to operate the landfill for an initial period after May 4, 2010 until twelve months after the date on which CHH Pulp gives written notice to Whakatane Mill Limited that it desires that a second period commences. CHH Pulp entered into a sale and purchase agreement with CHH in February 2012 pursuant to which the land on which the landfill sits will transfer from CHH Pulp to CHH on completion of a subdivision. The waste disposal agreement will be novated from CHH Pulp to CHH on completion of the subdivision process.

During the initial period, the landfill will be operated by Whakatane Mill Limited and it will be the only party using the landfill, while during the second period CHH Pulp will be operating the landfill and CHH Pulp, any of its related companies or Whakatane Mill Limited may use the landfill.

During the initial period, Whakatane Mill Limited agreed to pay CHH Pulp a fee that is equal to NZ$1 per month plus GST plus any costs, charges and fees associated with CHH Pulp s operation or maintenance of the landfill. During the second period, Whakatane Mill Limited agreed to pay CHH Pulp a fee equal to NZ$1 per month plus GST plus a pro rata share, calculated on the volume of waste disposed by Whakatane Mill Limited at the landfill, of all costs, charges and fees associated with CHH Pulp s operation or maintenance of the landfill.

Whakatane Mill Limited may terminate the waste disposal agreement by giving a minimum of three months written notice to CHH Pulp. Any time after May 1, 2016, CHH Pulp may terminate the waste disposal agreement by giving a minimum of three years written notice of termination to Whakatane Mill Limited, provided that if the consents provided by government agencies for use of the landfill are amended such that it is uneconomical for CHH Pulp to operate the landfill, CHH Pulp may terminate the agreement by giving a minimum of six months written notice. The waste disposal agreement (i) will be automatically terminated if the government consents expire and are not replaced or (ii) may be terminated by either party for cause. The liability of either party under the waste disposal agreement is limited to NZ$10 million. We estimate that the annual cost to Whakatane Mill Limited payable to CHH Pulp pursuant to this agreement is approximately NZ$12 million as Whakatane Mill Limited pays operating costs associated with the landfill directly rather than through CHH Pulp. Whakatane Mill Limited also agreed to pay its own costs of operating the landfill.

Logistics Services Agreement

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited entered into a logistics services agreement, pursuant to which CHH agreed to provide Whakatane Mill Limited with freight and logistics management services, such as domestic freight management services, international shipping management services, port management services and export documentation management services.

Whakatane Mill Limited agreed to pay CHH an annual management fee of NZ$160,000 plus applicable GST and agreed to also pay third party freight costs. The logistics services agreement may be terminated by either party (i) immediately if the other party is in default or (ii) on not less than three months written notice. A party is in default under the logistics services agreement if it suffers an insolvency event (as defined therein) or materially breaches any material obligation if such breach is incurable or uncured for a specified period. We estimate that the annual cost to Whakatane Mill Limited payable to CHH pursuant to such agreement is approximately NZ$160,000, exclusive of applicable GST. Whakatane Mill Limited agreed to also pay third parties direct for freight.

Deeds of Participation

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited executed deeds of participation under New Zealand law pursuant to which Whakatane Mill Limited was admitted to certain retirement plans of CHH applicable to employees of the business being sold. These deeds of participation allow the employees transferred in the transaction to remain members of these retirement plans following the closing for the periods provided under the Whakatane Asset Purchase Agreement.

Trademark Assignment Agreement

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited executed a trademark assignment agreement, which recorded, effected and confirmed the assignment by CHH to Whakatane Mill Limited, with effect from the date of the trademark assignment agreement, of all of CHH s rights, titles and interests in and to the trademarks to be transferred to Whakatane Mill Limited pursuant to the Whakatane Asset Purchase Agreement, including all associated intellectual property rights.

Evergreen Transition Services Agreement

In connection with the Evergreen Acquisition, CHH and Evergreen Packaging Inc. entered into a transition services agreement, pursuant to which CHH and its affiliates agreed to provide specified information technology information services to Evergreen Packaging Inc. and certain affiliates engaged in the beverage packaging business, collectively the service receivers.

The services are provided at cost, which is determined using the same methodology used in the previous six months and set forth on a schedule to the services agreement. Any service provider is generally required to provide a given service until the relevant service receiver terminates such service upon ten days written notice.

The services agreement terminates (i) when all or a portion of the equity interests of CHH, Evergreen Packaging Inc. or any parent entity of CHH or Evergreen Packaging Inc. is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group, (ii) with respect to a given service receiver, other than Evergreen Packaging Inc., when all or a portion of the equity interests of such service receiver is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group and (iii) with respect to a given service, when all or a portion of the equity interests of the service provider providing such service, other than CHH, is issued to or sold, assigned or otherwise transferred to any person that is not controlled directly or indirectly by the Hart Group. After termination of the services agreement, any service receiver may choose to continue to receive the services for up to six months pursuant to the applicable terms of the services agreement.

Information Sharing Agreement

On April 7, 2010, CHH and CHH Pulp entered into an information sharing agreement with Evergreen Packaging Inc. and Blue Ridge Paper Products Inc., pursuant to which the parties agreed to share certain confidential information relating to the operations and practices of their respective mills. The information sharing agreement does not impose any obligation on either party to provide information, it simply provides that the relevant information shall be kept confidential. The information sharing agreement may be terminated by either party at any time upon written notice and, upon termination, either party may require the other to return all information received pursuant to the information sharing agreement. Each party must continue to maintain the confidentiality of all information received under the information sharing agreement.

Electricity Hedges Agreement

In connection with the Whakatane Acquisition, CHH and Whakatane Mill Limited entered into an agreement, pursuant to which CHH agreed to provide Whakatane Mill Limited with the benefits of certain electricity hedge agreements that CHH entered into with third parties, to the extent such electricity hedge agreements relate to

Whakatane Mill Limited and Whakatane Mill Limited agreed to perform all of CHH s obligations pursuant to such electricity hedge agreements to the extent such obligations relate to Whakatane Mill Limited. This agreement terminated with effect from September 1, 2011.

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Sale of Certain Non-Strategic Assets

On April 25, 2010, Blue Ridge Paper Products Inc. and BPC United States Inc., a wholly-owned indirect subsidiary of Rank Group, entered into an asset purchase agreement with respect to the real property, plant and equipment of Blue Ridge Paper Products Inc. s Richmond, Virginia facility for a cash purchase price equivalent to the net book value of the assets, which was approximately $3 million. As a result of this sale, the assets that were the subject of this agreement were not conveyed to BP III pursuant to the Evergreen Acquisition. The sale of the facility was completed on April 29, 2010.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS AND INTERCREDITOR AGREEMENTS

The following is a summary of the material terms and conditions of our material debt instruments other than the notes. For the purposes of this summary, a reference to group is a reference to RGHL and its subsidiaries from time to time.

Senior Secured Credit Facilities

On February 9, 2011, RGHL and certain of its subsidiaries entered into an amended and restated credit agreement and borrowed $2,325 million in U.S. term loans and 250 million in European term loans. The proceeds from such term loans under the Senior Secured Credit Facilities were applied to repay all term loans outstanding under the Original Senior Secured Credit Facilities.

On August 9, 2011, RGHL and certain of its subsidiaries entered into an amendment and incremental term loan assumption agreement which amended and restated the Senior Secured Credit Facilities (the Second Amended and Restated Senior Secured Credit Facilities) and under which the lenders party thereto agreed to make available $2,000 million in U.S. term loans (the Tranche C U.S. Term Loans). The proceeds of the Tranche C U.S. Term Loans were drawn on the date of the Graham Packaging Acquisition and applied along with available cash to fund a senior secured intercompany note to certain subsidiaries of Graham Holdings, the proceeds of which were used to repay, repurchase, redeem or otherwise retire Graham Packaging s senior secured credit facilities and to pay fees, expenses and transaction costs.

Structure

As of December 31, 2011, the Senior Secured Credit Facilities consisted of the following:

- $2,325 million of Tranche B U.S. term loans (the Tranche B U.S. Term Loans) and $2,000 million of Tranche C U.S. term loans (the Tranche C U.S. Term Loans and, together with the Tranche B U.S. Term Loans, the U.S. Term Loans) which were borrowed by Reynolds Consumer Products Holdings Inc. (now known as Reynolds Consumer Products Holdings LLC), Reynolds Group Holdings Inc. and Pactiv Corporation (now known as Pactiv LLC);

- 250 million of European term loans, or the European Term Loans, which were borrowed by SIG Euro Holding AG & Co KGaA and SIG Austria Holding GmbH;

- a U.S. revolving credit facility of $120 million, or the U.S. Revolving Loans, (of which up to $100 million may be drawn by way of letters of credit), which is available to Reynolds Consumer Products Holdings Inc. (now known as Reynolds Consumer Products Holdings LLC), Pactiv Corporation (now known as Pactiv LLC) and Closure Systems International Holdings Inc.; and

- a European revolving credit facility of 80 million, or the European Revolving Loans, (of which up to 70 million may be drawn by way of letters of credit), which is available to Closure Systems International B.V., SIG Austria Holding GmbH and SIG Euro Holding AG & Co. KGaA.

The remaining amount available to be borrowed as incremental loans under the Second Amended and Restated Senior Secured Credit Facilities will be the greater of $750 million aggregate principal amount (less any amounts used to incur certain specified permitted indebtedness) and the maximum amount that, if fully drawn, would not cause the senior secured leverage ratio to exceed 3.5 to 1.0 (the Incremental Facility Amount). Any borrower may by written notice to the agent under the Senior Secured Credit Facilities indicate that it wishes to have incremental term or revolving facilities in U.S. dollars, euro or other designated currencies in an amount of up to the Incremental Facility Amount. Such additional incremental facilities are uncommitted, and the existing lenders may agree or decline to participate in the incremental facilities in their sole discretion. The Senior Secured Credit Facilities provide that, to the extent incremental term loans or incremental revolving commitments are used concurrently with the incurrence thereof to refinance term loans and revolving credit commitments outstanding under the Senior Secured Credit Facilities, such usage will not reduce the otherwise available Incremental Facility Amount.

Incremental lenders, including the lenders under the U.S. Term Loans and the European Term Loans, share, to the extent possible, in the collateral securing the Senior Secured Credit Facilities (and the secured notes) on a *pari passu* basis.

Repayment, Prepayments and Amortization

The U.S. and European revolving facilities will mature on November 5, 2014. The Tranche B U.S. Term Loans and the European Term Loans will mature on February 9, 2018. The Tranche C U.S. Term Loans will mature on August 15, 2018.

In addition, the outstanding term loans under the Senior Secured Credit Facilities are required to be prepaid with (a) up to 50% of excess cash flow (which will be reduced to 25% if certain senior secured leverage ratios are met), (b) 100% of the net cash proceeds of certain asset dispositions (provided that a portion of the net cash proceeds of an asset disposition of collateral may be used to prepay or repurchase the senior secured notes to the extent required under the indentures governing the senior secured notes, as applicable), subject to certain thresholds and (c) 100% of the net proceeds of debt that is incurred in violation of the Senior Secured Credit Facilities.

Indebtedness under the Senior Secured Credit Facilities may be voluntarily prepaid in whole or in part, subject to minimum amounts and break funding costs. Voluntary prepayments of Tranche B U.S. Term Loans or European Term Loans made on or prior to August 9, 2012 and of Tranche C U.S. Term Loans made on or prior to August 9, 2013, in each case made out of the proceeds of a substantially concurrent issuance or incurrence of indebtedness, will be subject to a prepayment fee equal to 1.00% of the aggregate principal amount of such prepayment. Such prepayment fee will also apply during such applicable period where a term lender is required to assign its term loans as a result of its failure to consent to an amendment that would reduce the interest rate margins or other pricing-related terms with respect to its term loans. The above prepayment fees will not apply to any prepayments upon the occurrence of a Change of Control.

The Tranche B U.S. Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the principal amount thereof outstanding on February 9, 2011, the European Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the principal amount thereof outstanding on February 9, 2011 (subject to certain adjustments) and the Tranche C U.S. Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the principal amount thereof outstanding on the date of the Graham Packaging Acquisition (subject to certain adjustments), in each case with the balance payable in full on the maturity date thereof. The first amortization payment on the Tranche B U.S. Term Loans and the European Term Loans was paid on June 30, 2011 and the first amortization payment on the Tranche C U.S. Term Loans was paid on December 30, 2011.

Interest Rate and Fees

The rate of interest on loans under the Second Amended and Restated Senior Secured Credit Facilities for each interest period is the percentage rate per annum equal to the sum of:

(i) the applicable margin; and

(ii) (A) in the case of ABR borrowings, the greatest of (1) the agent s prime rate in effect from time to time, (2) the Federal funds effective rate in effect from time to time plus 1/2 of 1.00% and (3) the Adjusted LIBO Rate (as defined below) for a three month interest period plus 1.00%;

(B) in the case of Eurocurrency borrowings denominated in U.S. dollars, the greater of (1) the LIBO rate for the interest period in effect multiplied by statutory reserves and (2) 2.00% per annum in the case of the U.S. Revolving Loans or 1.25% per annum in the case of U.S. Term Loans, which we refer to as the LIBOR Floor ;

(C) in the case of Eurocurrency borrowings denominated in Euro, the greater of (1) the EURIBO rate for the interest period in effect plus the mandatory cost and (2) 2.00% per annum in the case of the European Revolving Loans or 1.50% per annum in the case of European Term Loans;

(D) in the case of FBR borrowings denominated in Euro, the greatest of (i) the agent s prime rate for short-term loans in Euro, (ii) the EONIA rate in effect on such day plus 1/2 of 1.00%, (iii) the EURIBO Rate for a three month interest period plus 1% and (iv) 3.00% per annum; and

(E) in the case of FBR borrowings denominated in a foreign currency other than Euro, the rate defined in the applicable incremental loan agreement.

The applicable margin is equal to (i) with respect to any Eurocurrency term loan, 5.25% per annum, (ii) with respect to any ABR or FBR term loan, 4.25% per annum, (iii) with respect to any Eurocurrency revolving loan, 4.50% per annum and (iv) with respect to any ABR or FBR revolving loan, 3.50% per annum.

If there is a payment default at any time, then the interest rate applicable to overdue principal will be the rate otherwise applicable to such loan plus 2.00% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.00% per annum above the amount that would apply to an ABR term loan that is a U.S. Tranche C term loan.

The borrowers are required to pay a commitment fee equal to 2.00% per annum on the daily unused amounts of the U.S. and European revolving credit facilities.

The borrowers are required to pay to each U.S. and European revolving lender a letter of credit participation fee, calculated at the rate equal to the margin applicable to Eurocurrency loans under the revolving credit facilities, on the outstanding amount of such lender s pro rata percentage of U.S. or European letter of credit exposure, as the case may be. The relevant borrower is also required to pay any letter of credit issuing bank the fronting, issuing and drawing fees specified from time to time by such issuing bank.

Guarantees and Security

All obligations under the Senior Secured Credit Facilities are or will be guaranteed by RGHL and certain of its direct and indirect subsidiaries that guarantee the notes, including the borrowers under the Senior Secured Credit Facilities and the Issuers, subject to certain legal and tax limitations and other agreed exceptions.

All obligations under the Senior Secured Credit Facilities, and the guarantee of those obligations (as well as obligations under certain hedging agreements, certain local working capital facilities and certain cash management obligations), are secured by certain assets of RGHL, the borrowers and certain of the other guarantors under the Senior Secured Credit Facilities, subject to certain agreed limitations. Pursuant to the First Lien Intercreditor Agreement, the security interests over such assets are or will be of equal priority with the liens on the same collateral securing the senior secured notes and other future first lien obligations. The Senior Secured Credit Facilities may also have security over certain assets that do not secure the senior secured notes.

Covenants

The Senior Secured Credit Facilities contain financial, affirmative and negative covenants that we believe are usual and customary for a senior credit facility of this type. The negative covenants in the Senior Secured Credit Facilities include limitations (subject to agreed exceptions) on the ability of RGHL and its material subsidiaries to:

incur additional indebtedness (including guarantees);

incur liens;

enter into sale and lease-back transactions;

make investments, loans and advances;

implement mergers, consolidations and sales of assets;

make restricted payments or enter into restrictive agreements;

enter into transactions with affiliates on non-arm s length terms;

change the business conducted by RGHL and its subsidiaries;

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prepay, or make redemptions and repurchases of specified indebtedness;

amend certain material agreements governing specified indebtedness;

make certain amendments to the organizational documents of RGHL and its material subsidiaries;

change RGHL s fiscal year; and

conduct an active business (in the case of RGHL and BP II).

In addition to other customary exceptions, RGHL and its subsidiaries are able to incur additional indebtedness, including the ability to incur (a) other senior secured notes or senior secured bridge loans, if a senior secured leverage ratio of 3.5 to 1.0 is met, (b) other senior secured or unsecured notes or senior secured or unsecured bridge loans of up to $750 million (less the amount of any incremental loans under the Senior Secured Credit Facilities), (c) unsecured indebtedness so long as RGHL is in pro forma compliance with its financial covenants, (d) unsecured subordinated indebtedness so long as RGHL is in pro forma compliance with its financial covenants, and (e) certain permitted refinancing indebtedness in respect of the foregoing, in each case subject to other customary requirements. Indebtedness of the type described in clauses (a) and (b) and certain permitted refinancing indebtedness thereof may be secured on a *pari passu* basis by the same collateral securing the Senior Secured Credit Facilities and the senior secured notes.

In addition, the Senior Secured Credit Facilities contain customary financial covenants, including maximum senior secured leverage, minimum interest coverage and limitations on capital expenditures.

Events of Default

The Senior Secured Credit Facilities contain certain customary events of default with certain cure periods, as applicable, including:

non-payment of principal, interest or other amounts;

breach of covenants under the Senior Secured Credit Facilities and other loan documents;

material breach of the representations or warranties;

cross-default to other material indebtedness;

bankruptcy or insolvency;

material judgments;

certain ERISA and benefits events;

actual or asserted invalidity of any material collateral or guarantee;

failure of material subordinated indebtedness to be validly subordinated;

invalidity of the 2007 UK Intercreditor Agreement; and a change of control (as defined in the Senior Secured Credit Facilities).

Local Facilities

We have secured and unsecured local credit facilities at our subsidiaries in a number of jurisdictions. The secured local credit facilities are secured by the collateral under the Senior Secured Credit Facilities and senior secured notes as well as certain other assets. Alternatively we may also backstop these facilities with letters of credit drawn under the revolving credit facilities included in the Senior Secured Credit Facilities. As of December 31, 2011, we had $28 million utilized under our secured local facilities in the form of short-term bank overdrafts, letters of credit and bank guarantees.

First Lien Intercreditor Agreement

The collateral agents under the Senior Secured Credit Facilities, or the Collateral Agents, the trustee for the holders of the senior secured notes, the administrative agent under the Senior Secured Credit Facilities, as representative for the secured parties under the Senior Secured Credit Facilities, RGHL and certain of its subsidiaries entered into the First Lien Intercreditor Agreement, which sets forth the relative rights and obligations of the lenders under the Senior Secured Credit Facilities and certain local working capital facilities, certain hedging providers and cash management services providers and the holders of the senior secured notes with respect to Shared Collateral. This summary of the First Lien Intercreditor Agreement uses the following defined terms:

Collateral means all assets and properties subject to liens created pursuant to any security document to secure one or more series of Obligations.

Liens means with respect to any assets or property, any mortgage, lien (statutory or others), pledge, charge, hypothecation, assignment, security interest or similar encumbrance.

Obligations means (i) with respect to the senior secured notes, any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities payable under the documentation governing any such indebtedness; (ii) with respect to the Senior Secured Credit Facilities, the due and punctual payment of (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the loans, when and as due, whether at maturity or by acceleration, upon one or more dates set for prepayment or otherwise, (b) each payment required to be made by the borrowers, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, (c) all other monetary obligations of the borrowers to any of the secured parties under the Senior Secured Credit Facilities, and each of the other loan documents, including fees, costs, expenses and indemnities, (d) the due and punctual payment and performance of all obligations of the borrowers, RGHL and its subsidiaries that are guarantors under the loan documents, hedging agreements, local facility agreements and agreements providing for cash management services, and (e) obligations under additional agreements pursuant to which other first lien obligations are incurred; and (iii) certain additional obligations designated Additional Obligations pursuant to the terms of the First Lien Intercreditor Agreement.

Security Document means each agreement, instrument or other document entered into in favor of the Collateral Agents, or the Collateral Agents and any of the other secured parties under the Senior Secured Credit Facilities, the indenture for the 2009 Notes and any additional agreements pursuant to which other first lien obligations are incurred, for purposes of securing any series of Obligations, including the indentures governing the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes.

Shared Collateral means, at any time, Collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid security interest and any cash or other assets received in connection with the enforcement of any guarantee held by two or more series of Obligations (or their respective representatives).

The First Lien Intercreditor Agreement may be amended from time to time without the consent of the secured parties thereto to add other secured parties.

Designation of the Applicable Representative

Under the First Lien Intercreditor Agreement, as described below, the Applicable Representative has the right to direct the Collateral Agents to initiate foreclosures, release liens in accordance with the Senior Secured Credit Facilities and the indentures for the senior secured notes and take other actions with respect to the Shared Collateral, and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement have no right to direct the Collateral Agent to take actions with respect to the Shared Collateral.

Initially, the Applicable Representative is the administrative agent under the Senior Secured Credit Facilities. As long as such administrative agent is the Applicable Representative, the Trustee, as representative of the secured noteholders, will have no rights to direct the Collateral Agent to take any action under the First Lien Intercreditor Agreement.

The administrative agent under the Senior Secured Credit Facilities will remain the Applicable Representative until the earlier of:

(1) the discharge of our Obligations under the Senior Secured Credit Facilities; and

(2) the Cut-Off Date (as defined below), unless the Cut-Off Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof.

After such date, the Applicable Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations whose representative is party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Credit Facilities, with respect to the Shared Collateral. We refer to such representative as the Non-Controlling Representative.

The *Cut-Off Date* means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such person was the Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Collateral Agent s and each other relevant representative s receipt of written notice from such Non-Controlling Representative certifying that (x) such an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Credit Facilities or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Role of the Applicable Representative

Pursuant to the First Lien Intercreditor Agreement:

(i) the Applicable Representative shall have the sole right to instruct the Collateral Agent to act or refrain from acting with respect to the Shared Collateral;

(ii) the Collateral Agent shall not follow any instructions with respect to the Shared Collateral from any representative of any Non-Controlling Secured Party (as defined below) or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative); and

(iii) no representative of any Non-Controlling Secured Party or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) will instruct the Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

A *Non-Controlling Secured Party* means any secured party whose representative is not the Applicable Representative. So long as the administrative agent under the Senior Secured Credit Facilities is the Applicable Representative, the holders of the senior secured notes will be Non-Controlling Secured Parties. In addition, because the outstanding principal amount of the 2009 Notes is greater than the outstanding principal amount of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes or the August 2011 Senior Secured Notes, the trustee under the indenture governing the 2009 Notes, as representative of the holders of the 2009 Notes, will be the Non-Controlling Representative and would become the Applicable Representative if the Cut-Off Date occurred on such date. Accordingly, the holders of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes could be Non-Controlling Secured Parties indefinitely.

Notwithstanding the equal priority of the liens on any Shared Collateral, the Collateral Agent, acting on the instructions of the Applicable Representative, may deal with the Collateral as if the Applicable Representative had a senior lien on such Collateral. No representative of any Non-Controlling Secured Party may contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent or any exercise by the Collateral Agent of any rights and remedies relating to the Shared Collateral. Each representative of each series of Obligations party to the First Lien Intercreditor Agreement will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a lien held by or on behalf of any of the secured parties in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

In addition, each representative of each series of Obligations party to the First Lien Intercreditor Agreement (i) will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere with, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Collateral Agent (acting on the instructions of the Applicable Representative), (ii) will not institute any suit or assert in any insolvency or litigation proceeding or other proceeding or any claim against the Collateral Agent or any other secured party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, (iii) will not seek, and waives any right to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral and (iv) will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the First Lien Intercreditor Agreement.

Distribution of Enforcement Proceeds

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is incurred) has occurred and is continuing and the Collateral Agent or any Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding of any grantor of Collateral or otherwise, or the Collateral Agent or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Collateral Agent or any secured party and the proceeds of any such distribution, shall be applied as follows:

(A) first, on a *pari passu* basis:

(i) to the trustee for the 2007 Notes to pay certain amounts then due to such trustee under the 2007 UK Intercreditor Agreement; and

(ii) in the following order:

(x) initially, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is incurred; and

(y) next, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor

Agreement on a ratable basis in accordance with the amounts of such Obligations and the terms of the applicable instrument pursuant to which such Obligations have been incurred;

(B) second, to the extent such proceeds relate to Collateral over which the holders of the 2007 Notes have a valid and perfected security interest at such time or constitute cash or other assets received from a guarantor that has provided a guarantee for the benefit of the holders of the 2007 Notes or such proceeds were originally received pursuant to the terms of the 2007 UK Intercreditor Agreement, to the security trustee under the 2007 UK Intercreditor Agreement for distribution of such proceeds in accordance with the terms thereof; and

(C) third, after the discharge of the Obligations identified in clauses (A) and (B), to the relevant grantor.

Turnover

If any representative of any series of Obligations party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement, then such representative shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

Additional Liens

So long as the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement has not occurred, subject to certain limited exceptions, none of the grantors shall, or shall permit any of its subsidiaries to, without the consent of the Collateral Agent (acting upon the instructions of the Applicable Representative) grant or permit any additional liens on any asset to secure any additional series of Obligations whose representative becomes party to the First Lien Intercreditor Agreement unless it has granted, or concurrently therewith grants, a lien on such asset to secure the Obligations in favor of all other series.

Automatic Release of Liens

If, at any time, the Collateral Agent (acting on the instructions of the Applicable Representative) forecloses upon or otherwise exercises remedies against any Shared Collateral, and in connection therewith takes action to release any Liens over such Shared Collateral, then (whether or not any insolvency or liquidation proceeding is pending at the time) the liens in favor of the Collateral Agent for the benefit of the secured parties upon such Shared Collateral will automatically be released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be applied as described in Distribution of Enforcement Proceeds above. If, at any time, the Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral, and in connection therewith substantially all the equity interests of any guarantor are sold or transferred, then (whether or not any insolvency or liquidation proceeding is pending at the time) the guarantee of such guarantor shall be released, discharged and terminated without any further action by any secured party required.

Exculpatory Provisions in Favor of Collateral Agent

The First Lien Intercreditor Agreement provides that the Collateral Agent shall not have any duties or obligations except those expressly set forth therein and in the other Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the First Lien Intercreditor Agreement or by the other Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Security Document or applicable law;

(iii) shall not, except as expressly set forth in the First Lien Intercreditor Agreement and in the other Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a grantor or any of its affiliates that is communicated to or obtained by the Collateral Agent or any of its affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) with the consent or at the request of the Applicable Representative or (2) in the absence of its own gross negligence or willful misconduct or (3) in reliance on a certificate of an authorized officer of RGHL stating that such action is permitted by the terms of the First Lien Intercreditor Agreement;

(v) shall be deemed not to have knowledge of any Event of Default under any series of Obligations unless and until notice describing such Event of Default is given to the Collateral Agent by the representative of such Obligations or a grantor;

(vi) shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with the First Lien Intercreditor Agreement or any other Security Document, (2) the contents of any certificate, report or other document delivered under the First Lien Intercreditor Agreement or any other Security Document, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in the First Lien Intercreditor Agreement or any other Security Document, or the occurrence of any default, (4) the validity, enforceability, effectiveness or genuineness of the First Lien Intercreditor Agreement, any other Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any lien purported to be created by the Security Documents or (5) the value or the sufficiency of any Collateral for any series of Obligations, including the senior secured notes; and

(vii) shall not be required to expend, advance or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the First Lien Intercreditor Agreement or in any of the Security Documents or in the exercise of any of its rights or powers under the First Lien Intercreditor Agreement or under any of the Security Documents unless it is indemnified to its satisfaction, and the Collateral Agent shall have no liability to any person for any loss occasioned by any delay in taking or failure to take any such action while it is awaiting an indemnity satisfactory to it.

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2007 Notes

Overview

On June 29, 2007, BP II completed a private offering of the 2007 Senior Notes and the 2007 Senior Subordinated Notes. The 2007 Notes were issued under separate indentures each dated as of June 29, 2007, by and among BP II, the initial guarantors party thereto, The Bank of New York, as trustee, and Credit Suisse, as security agent.

The proceeds of the offering of the 2007 Notes were lent to BP I under certain proceeds loans, which we refer to as the 2007 Proceeds Loans, and were used to repay all outstanding amounts under the 2007 bridge facility and to prepay 130 million under SIG Combibloc s senior credit facility, each of which was used to partially finance the SIG Acquisition.

Interest

Interest on the 2007 Senior Notes accrues at the rate of 8% per annum, payable semi-annually on June 15 and December 15 of each year. Interest on the 2007 Senior Subordinated Notes accrues at the rate of 91/2% per annum, payable semi-annually on June 15 and December 15 of each year.

Maturity

The 2007 Senior Notes will mature on December 15, 2016 and the 2007 Senior Subordinated Notes will mature on June 15, 2017.

Optional Redemption

2007 Senior Notes. BP II may redeem some or all of the 2007 Senior Notes prior to June 15, 2011 at a price equal to 100% of the principal amount thereof, plus a make-whole premium, plus accrued and unpaid interest, if any, to the redemption date. BP II may redeem some or all of the 2007 Senior Notes at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the twelve month period commencing on June 15 of the years set forth below:

Period	Redemption Price
2011	104.000%
2012	102.000%
2013 and thereafter	100.000%

2007 Senior Subordinated Notes. BP II may redeem some or all of the 2007 Senior Subordinated Notes prior to June 15, 2012, at a price equal to 100% of the principal amount thereof, plus a make-whole premium, plus accrued and unpaid interest if any, to the redemption date. At any time on or after June 15, 2012, BP II may redeem some or all of the 2007 Senior Subordinated Notes at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the twelve month period commencing on June 15 of the years set forth below:

Redemption

Period	Price
2012	104.750%
2013	103.167%
2014	101.583%
2015 and thereafter	100.000%

Additionally, at any time on or prior to June 15, 2012, BP II may redeem up to 35% of the originally issued aggregate principal amount of the 2007 Senior Subordinated Notes with the net cash proceeds of certain public equity offerings at a price equal to 109.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if at least 65% of the total issued aggregate principal amount of the 2007 Senior Subordinated Notes remains outstanding after each such redemption.

Change of Control

Upon a change of control, as defined in the indentures governing the 2007 Notes, BP II will be required to offer to repurchase the 2007 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless BP II has previously elected to redeem all of the 2007 Senior Notes or 2007 Senior Subordinated Notes (as relevant).

Ranking of 2007 Senior Notes

The 2007 Senior Notes are general obligations of BP II and:

rank *pari passu* in right of payment with all existing and future indebtedness of BP II that is not subordinated to the 2007 Senior Notes;

are senior in right of payment to any future subordinated indebtedness of BP II, including the 2007 Senior Subordinated Notes; and

are secured by a second ranking pledge of the receivables under the 2007 Proceeds Loans and by a second ranking security over all of the issued capital stock of BP I.

The 2007 Senior Notes are guaranteed on a senior subordinated basis by RGHL, BP I and certain subsidiaries of BP I. Pursuant to the 2007 UK Intercreditor Agreement, those guarantees are subordinated in right of payment to the guarantees in respect of the Senior Secured Credit Facilities and the senior secured notes. BP II, the issuer of the 2007 Senior Notes, does not guarantee the Senior Secured Credit Facilities or the notes.

Ranking of 2007 Senior Subordinated Notes

The 2007 Senior Subordinated Notes are general obligations of BP II and:

are subordinated in right of payment to all existing and future senior indebtedness of BP II, including the 2007 Senior Notes;

rank *pari passu* in right of payment with all existing and future senior subordinated indebtedness of BP II;

rank senior in right of payment to existing and future subordinated indebtedness of BP II; and

are secured by a third ranking pledge of the receivables under the 2007 Proceeds Loans and by a third ranking security over all of the issued capital stock of BP I.

The 2007 Senior Subordinated Notes are guaranteed on a subordinated basis by RGHL, BP I and certain subsidiaries of BP I. Pursuant to the 2007 UK Intercreditor Agreement and the terms of the indenture governing the 2007 Senior Subordinated Notes, those guarantees are subordinated in right of payment to guarantees in respect of the Senior Secured Credit Facilities, the notes (but the Senior Notes do not constitute Designated Senior Indebtedness for purposes of the indenture governing the 2007 Senior Subordinated Notes). BP II, the issuer of the 2007 Senior Subordinated Notes, does not guarantee the Senior Secured Credit Facilities or the notes.

Events of Default

The indentures governing the 2007 Notes contain certain customary events of default, including:

- non-payment of principal or premium, if any on the notes;
- non-payment of interest on the notes for a continuous period of 30 days;
- failure by the Issuers, BP I or any Restricted Subsidiary to comply with the merger covenant;

breach of any agreement contained in the 2007 Notes or the indentures related thereto (other than failure to purchase notes) by BP I, BP II or any Restricted Subsidiary which is not cured within 60 days of notice;

cross-defaults or acceleration of other indebtedness of BP I, an issuer or any Significant Subsidiary in excess of 20 million or its foreign currency equivalent;

certain bankruptcy or insolvency events with respect to BP I, BP II or a Significant Subsidiary;

subject to certain exceptions, failure of BP I, BP II or Significant Subsidiaries to pay final judgments in excess of 20 million or its foreign currency equivalent; and

invalidity of any security interest or material guarantee.

The summary of the Events of Default for the 2007 Notes uses the following terms:

Restricted Subsidiary means, with respect to any person, any subsidiary of such person other than an Unrestricted Subsidiary of such person. Unless otherwise indicated in the indentures for the 2007 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP II and BP I.

Significant Subsidiary means any Restricted Subsidiary that meets any of the following conditions: (1) BP II s, BP I s and the Restricted Subsidiaries investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP II, BP I and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; (2) BP II s, BP I s and the Restricted Subsidiaries proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP II, BP I and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or (3) BP II s, BP I s and the Restricted Subsidiaries equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP II, BP I and the Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

Unrestricted Subsidiary means

(1) any subsidiary of BP II or BP I that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such person in the manner provided below; and

(2) any subsidiary of an Unrestricted Subsidiary.

The board of directors of RGHL may designate any subsidiary of BP II or BP I (including any newly acquired or newly formed subsidiary of BP II or BP I) to be an Unrestricted Subsidiary unless such subsidiary or any of its subsidiaries owns any equity interests or indebtedness of, or owns or holds any lien on any property of, BP II or BP I or any other subsidiary of BP II or BP I that is not a subsidiary of the subsidiary to be so designated; provided, however, that the subsidiary to be so designated and its subsidiaries do not at the time of designation have and do not thereafter incur any indebtedness pursuant to which the lender has recourse to any of the assets of BP II, BP I or any of the Restricted Subsidiaries; provided, further, however, that either:

(a) the subsidiary to be so designated has total consolidated assets of 1,000 or less; or

(b) if such subsidiary has consolidated assets greater than 1,000, then such designation would be permitted under Section 4.04.

The board of directors of BP II may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation: (x) (1) BP II or BP I could incur 1.00 of additional indebtedness pursuant to the limitation on incurrence of indebtedness in the indentures governing the 2007 Notes or (2) the fixed charge coverage ratio for BP II, BP I and its Restricted Subsidiaries would be greater than such ratio for BP II, BP I and its Restricted Subsidiaries

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immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and (y) no event of default shall have occurred and be continuing.

Any such designation by the board of directors of BP II shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the board of directors of BP II giving effect to such designation and an officers certificate certifying that such designation complied with the foregoing provisions.

Security for the 2007 Notes

The assets that secure the 2007 Notes also secure the senior secured notes and the Senior Secured Credit Facilities. Pursuant to the 2007 UK Intercreditor Agreement and the terms of such security documents, the assets that secure the 2007 Notes will first secure the obligations owed under the Senior Secured Credit Facilities and the senior secured notes on a *pari passu* basis and then the 2007 Notes.

Purchase Right

Pursuant to the 2007 UK Intercreditor Agreement, under certain circumstances the holders of the 2007 Notes have the right to purchase all (but not part only) of the obligations owing to holders of the senior secured notes and creditors of the Senior Secured Credit Facilities by payment of the full amount in cash of the liabilities outstanding and an additional compensatory amount to be certified by the holders of the senior secured notes and creditors of the Senior Secured Credit Facilities.

2007 UK Intercreditor Agreement

General

The 2007 UK Intercreditor Agreement was amended as part of the RGHL Transaction to establish the relative rights between certain creditors of the group including lenders under the Senior Secured Credit Facilities, the trustee for the senior secured notes and the 2007 Notes, RGHL, BP II, BP I and any guarantors of the senior secured notes, the Senior Secured Credit Facilities or the 2007 Notes. This summary of the 2007 UK Intercreditor Agreement uses the following defined terms:

collateral agent refers to the Collateral Agent from time to time under the First Lien Intercreditor Agreement;

junior creditors refers to the holders of the 2007 Notes, the trustees for such notes and BP II and RGHL with respect to loans made to a group member;

junior liabilities refers to a group member s liabilities under the indentures governing the 2007 Notes or the obligation of a group member with respect to a loan from BP II (including the 2007 Proceeds Loans);

senior agent refers to the Applicable Representative from time to time under the First Lien Intercreditor Agreement;

senior creditors refers to the Secured Parties from time to time under the First Lien Intercreditor Agreement; and

senior liabilities refers to the Obligations as defined in the First Lien Intercreditor Agreement.

The 2007 UK Intercreditor Agreement restricts, among other things:

the ability of BP II, BP I or its subsidiaries to grant security or give guarantees in favor of a group member s liabilities under the indentures governing the 2007 Notes or BP I s obligations under the 2007 Proceeds Loans;

the ability of the holders of the 2007 Notes, the trustees for the 2007 Notes and BP II (in respect of the 2007 Proceeds Loans) to enforce the guarantees and (in the case of BP II) the 2007 Proceeds Loans; and the ability of BP I and any of its subsidiaries to pay, prepay, redeem, purchase or acquire the junior liabilities, or otherwise to provide financial support in relation to such liabilities, for so long as any obligations under the senior liabilities are outstanding.

In addition, the 2007 UK Intercreditor Agreement requires that the guarantees and security in favor of the 2007 Notes be released in certain circumstances.

Limitation on Credit Support

Pursuant to the 2007 UK Intercreditor Agreement, BP II, BP III and its subsidiaries are prohibited from granting any security in favor of the junior liabilities except for the security permitted by the 2007 UK Intercreditor Agreement. The security permitted by the 2007 UK Intercreditor Agreement for the 2007 Notes is limited to the pledges of the capital stock of BP I and the assignment of the receivables under the 2007 Proceeds Loans.

In addition, the 2007 UK Intercreditor Agreement requires (except with consent from the senior agent) that guarantees in support of the 2007 Notes are given only by entities that are borrowers, issuers or guarantors of the senior liabilities and are subordinated to their obligations with respect to the senior liabilities.

BP I and its subsidiaries are also prohibited from (except with consent from the senior agent) guaranteeing any loan made by RGHL or BP II to BP I or any of its subsidiaries.

Limitation on Enforcement

Under the 2007 UK Intercreditor Agreement, the junior creditors in respect of the 2007 Notes may not take any enforcement action against a guarantor (other than RGHL) unless and until:

an event of default on the applicable 2007 Notes has occurred, such event of default is continuing and the standstill period (as defined below) has expired;

the senior creditors have (i) accelerated the amounts owed by a borrower or issuers in respect of the senior liabilities or (ii) demanded payment under any guarantee granted by BP I or any of its subsidiaries or (iii) taken any action to enforce any security interest or lien granted by BP I or any of its subsidiaries with a view to realization of such security interest or lien (which shall not include any action to perfect such security interest or lien);

a court or other relevant body has made an order for the liquidation, moratorium of payments, bankruptcy, insolvent reorganization, insolvency, examination, administration, receivership (or other similar event) of a guarantor of the applicable 2007 Notes (or all or substantially all of its property) or the shareholders or board of directors of a guarantor of such 2007 Notes have passed a resolution (other than at the request or direction of a trustee or holders of such 2007 Notes) for the liquidation, dissolution or winding-up of such guarantor that results in the appointment of a liquidator, administrator, examiner, receiver, trustee in bankruptcy or other similar official in relation to such guarantor;

there is a failure to repay the 2007 Senior Notes or 2007 Senior Subordinated Notes, as applicable, on the relevant maturity date; or

the senior agent (acting on the instructions of the requisite number of relevant senior creditors) consents, prior to the taking of the relevant enforcement action.

Enforcement action may be taken under the 2007 Proceeds Loans by a junior creditor, and the liabilities thereunder shall be payable, to the extent that enforcement action is permitted to be taken against BP I and the liabilities under its guarantee are payable to a junior creditor.

Under the 2007 UK Intercreditor Agreement:

The standstill period is defined to mean, with respect to each guarantee of the 2007 Notes, the period commencing on the occurrence of an event of default in respect of the 2007 Notes and ending on the first to occur of:

- the date falling 179 days after the date on which the 2007 Notes trustee gives notice to the senior agent in respect of that event of default; and

- the expiration of any other standstill period outstanding at the date the standstill period commenced.

Enforcement action is defined to mean, with respect to any indebtedness of BP I and its subsidiaries, any action (whether taken by the relevant creditor or creditors or an agent or trustee on its or their behalf) to (a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such indebtedness or the premature termination or close out of certain hedging obligations; or (b) recover all or any part of such indebtedness; or (c) exercise or enforce any rights under or pursuant to any guarantee, indemnity or other similar assurance against loss given by BP I or its subsidiaries in respect of such indebtedness; or (d) exercise or enforce any rights under any security interest over assets of BP I or its subsidiaries whatsoever which secures such indebtedness; or (e) commence legal proceedings against any of BP I or its subsidiaries to recover any moneys; or (f) commence, or take any other steps which could reasonably be expected to lead to the commencement of, any insolvency proceedings in relation to BP I or its subsidiaries, provided that, the following shall not constitute enforcement action:

- the taking of any action (not falling within any of (a) to (f) inclusive above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

- to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation;

- bringing legal proceedings against any person (1) in connection with any securities violation or common law fraud or (2) to restrain any actual or putative breach of the finance documents (as defined in the 2007 UK Intercreditor Agreement) or for specific performance with no claim for damages; or

- allegations of material misstatements or omissions made in connection with the offering materials relating to the 2007 Notes or in reports furnished to creditors under the 2007 Notes or any exchange on which the 2007 Notes are listed pursuant to information and reporting requirements under the indentures governing the 2007 Notes.

Insolvency proceedings is defined to mean any proceedings or steps for (a) the insolvency, liquidation, dissolution, winding-up, administration, examination, receivership, moratorium of payments, compulsory merger or judicial reorganization of any company or judicial liquidation or any court order for any of the foregoing; or (b) the appointment of a trustee in bankruptcy, or insolvency conciliator, *ad hoc* official, an administrator, an examiner, a receiver, a liquidator or other similar officer of any company; or (c) any other similar process or appointment.

Limitations on Paying the Guarantees of the 2007 Notes and the 2007 Proceeds Loans

Subject to any payments under the guarantees of the 2007 Notes that are permitted in the circumstances described above, the guarantors of the 2007 Notes may not make any payment in respect of the 2007 Notes pursuant to the guarantees (other than in respect of certain amounts owing to the trustees of the 2007 Notes) unless:

on the date falling two days prior to the date of payment there is no outstanding payment default under the terms of any of the indentures governing the senior secured notes or the Senior Secured Credit Facilities and no outstanding payment blockage notice (as defined below); and such payment is applied in making certain permitted payments in respect of the 2007 Notes, including in respect of interest, default interest, additional amounts under tax gross-up and currency indemnity provisions, certain amounts payable to the trustees and the principal amount of the 2007 Notes on the maturity date.

Similar restrictions apply to the making of payments to BP II under the 2007 Proceeds Loans or by BP I or its subsidiaries with respect to a loan from either BP II or RGHL.

If an event of default (other than a payment event of default) or similar event occurs under the senior liabilities, the senior agent may, within 45 days of the occurrence of any such event of default, serve a written notice (a payment blockage notice) on the trustees for the 2007 Notes and BP I. A payment blockage notice shall be outstanding from the date of service of the same to the earlier to occur of:

the date on which the event of default in respect of which such payment blockage notice is served is cured or waived;

the date on which the senior agent notifies the trustees for the 2007 Notes and BP I that the payment blockage notice is cancelled;

the date that the obligations under the relevant senior liabilities are discharged in full;

the date that is 179 days after the service of such payment blockage notice;

the expiration of any standstill period in existence at the date of service of the payment blockage notice; and

the date on which a trustee on behalf of the holders of 2007 Notes takes any enforcement action permitted pursuant to the 2007 UK Intercreditor Agreement.

Only one payment blockage notice may be served in any consecutive 360-day period, only one payment blockage notice may be served in respect of any one event of default and no payment blockage notice may be issued in respect of an event of default which is outstanding as at the time at which an earlier payment blockage notice was issued.

Subordination on Insolvency

After the occurrence of one or more of certain insolvency related events in relation to any of RGHL, BP I and its subsidiaries, including RGHL, BP I and its subsidiaries becoming subject to insolvency proceedings, the junior liabilities and certain other intercompany liabilities of such person will be subordinated to the senior liabilities owed by such person, and any payment or distribution of any kind or character and all and any rights in respect thereof, whether in cash, securities (other than any debt securities that are subordinated to the senior liabilities to at least the same extent as the junior liabilities) or other property which is payable or deliverable upon, or with respect to, the junior liabilities owed by such person or any part thereof by a liquidator, administrator or receiver (or the equivalent thereof) of such person or its estate, or rights, made to, or paid to, or received by the junior creditors, RGHL or BP II, or to which the junior creditors, RGHL or BP II are entitled shall (subject to certain amounts to be paid to the trustees for the 2007 Notes) be held in trust by the junior creditors, RGHL and BP II for the senior creditors and shall forthwith be paid or, as the case may be, transferred or assigned (net of the expenses of so doing) to the collateral agent to be applied against first, the senior liabilities (after taking into account any concurrent payment or distribution being made to the senior creditors) and, in the case of rights in respect of certain subordinated loans from RGHL to BP I and the 2007 Proceeds Loans, secondly, the junior liabilities.

The junior creditors are required to do all things that the senior agent reasonably deems necessary or advisable for the enforcement of the 2007 UK Intercreditor Agreement.

Turnover

If any junior creditor receives any payment in relation to any of the junior liabilities which is not permitted by the 2007 UK Intercreditor Agreement, the junior creditor must hold that amount on trust for the collateral agent and promptly pay that amount to the collateral agent (or, in certain circumstances, pay an amount equal to that receipt or recovery to the collateral agent); provided that each trustee for the 2007 Notes shall only be required to turn over any amount if (i) it has actual knowledge that such receipt or recovery is received in breach of the 2007 UK Intercreditor Agreement and (ii) it has not distributed to holders of the applicable 2007 Notes, in accordance with the relevant indenture, any amounts so received or recovered.

Release of Guarantees

In the event that:

there is a sale or other disposal (whether on a voluntary basis (provided the finance documents relating to the senior liabilities and the junior liabilities have been complied with) or pursuant to enforcement action commenced by the senior creditors) of all of the issued share capital of a guarantor of the 2007 Notes (other than BP I) or any direct or indirect holding company of any such guarantor (other than BP I);

the collateral agent, the security agent in respect of the junior liabilities or BP I has notified the senior agent and the trustees for the 2007 Notes of such proposed sale or other disposal;

such guarantor and each of its direct and indirect subsidiaries is simultaneously and unconditionally released from its obligations in relation to the senior liabilities;

if and only if the sale or other disposal is pursuant to enforcement action commenced by the senior creditors, either the sale or other disposal is made pursuant to a public auction or an internationally recognized investment bank selected by the security trustee has delivered to the senior agent and the trustees for the 2007 Notes an opinion that the price of the sale or other disposal of the relevant share capital is fair from a financial point of view after taking into account all relevant circumstances; and

if and only if the sale or other disposal is pursuant to enforcement action commenced by the senior creditors, all or substantially all of the consideration for such sale or other disposal is cash,

the guarantee executed by such guarantor shall be automatically released and such guarantor shall be simultaneously released from all its other obligations and liabilities under its guarantee and the other provisions of the applicable documents relating to junior liabilities.

Subordination of Intercompany Liabilities

Pursuant to the 2007 UK Intercreditor Agreement, RGHL and BP II have subordinated certain intercompany liabilities of BP I and its subsidiaries owed to RGHL or BP II to the senior liabilities.

Purchase Right

Pursuant to the 2007 UK Intercreditor Agreement, the holders of the 2007 Notes have a right to purchase or procure the purchase of all (but not part only) of the rights and obligations of the senior creditors in respect of the senior liabilities. This purchase right can only be exercised after senior liabilities have become immediately due and payable, notice of acceleration has been given and the senior creditors have instigated any formal steps to enforce their guarantees or security. The purchase of the senior liabilities must be of the full amount of the senior liabilities as of the date that amount is to be paid.

Pactiv Notes and Debentures

At December 31, 2011, Pactiv had outstanding:

$249 million in principal amount of the Pactiv 2012 Notes;

$300 million in principal amount of 8.125% Debentures due 2017;

$16 million in principal amount of the Pactiv 2018 Notes;

$276 million in principal amount of 7.950% Debentures due 2025; and

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$200 million in principal amount of 8.375% of Senior Notes due 2027.

The Pactiv 2012 Notes were redeemed on March 16, 2012.

The indentures governing the Pactiv Notes contain a negative pledge clause limiting Pactiv s ability, and the ability of certain subsidiaries of Pactiv, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on principal manufacturing properties which include certain principal manufacturing plants or testing or research and development facilities or on the capital stock or debt of certain subsidiaries that own or lease any such principal manufacturing plant or testing or research and development facility and (ii) sell and then take an immediate lease back of such principal manufacturing plant or testing or research and development facility.

The Pactiv Notes are subject to acceleration, at the option of the holders thereof, if an event of default occurs and is continuing under the applicable indentures. In addition, there are no scheduled principal payments required on any of these notes or debentures until their final maturities.

The 8.125% Debentures due 2017, the Pactiv 2018 Notes and the 8.375% Senior Notes due 2027 may be redeemed at any time at Pactiv s option, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus a make-whole premium, if any, plus accrued and unpaid interest to the date of redemption.

DESCRIPTION OF THE 2009 NOTES

General

On November 5, 2009, Reynolds Group Escrow LLC, a Delaware limited liability company (the *LLC Escrow Issuer*), and Reynolds Group DL Escrow Inc., a Delaware corporation (the *Corporate Escrow Issuer* and, together with the LLC Escrow Issuer, the *Escrow Issuers*), issued $1,125,000,000 aggregate principal amount of senior secured notes due 2016 (the *Dollar Notes*) and 450,000,000 aggregate principal amount of senior secured notes due 2016 (the *Euro Notes* and, together with the Dollar Notes, the *Notes*), each under an indenture (the *Indenture*), dated as of November 5, 2009, by and among themselves and The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent, Collateral Agent and Registrar. Proceeds of the offering, together with certain other amounts were held in escrow until the Escrow Release Date (as defined below). Upon the initial issuance of the Notes, the Notes were obligations of the Escrow Issuers, and were not obligations of Reynolds Group Issuer LLC, a Delaware limited liability company (the *US Issuer I*), Reynolds Group Issuer Inc., a Delaware corporation (the *US Issuer II* and, together with the US Issuer I, the *US Issuers*), Reynolds Group Issuer (Luxembourg) S.A., a company incorporated as a société anonyme (limited liability company) under the laws of Luxembourg (the *Luxembourg Issuer* and, together with the US Issuers, the *Issuers*) or the Note Guarantors (as defined below). Upon satisfaction of the conditions precedent to the release of the proceeds of the offering from escrow to the Issuers on the Escrow Release Date, which was November 5, 2009, (i) all of the assets of the LLC Escrow Issuer were transferred to the Luxembourg Issuer, the Luxembourg Issuer assumed all of the LLC Escrow Issuer s obligations and the LLC Escrow Issuer was released from such obligations, (ii) the Corporate Escrow Issuer merged with and into the US Issuer I, with the US Issuer I surviving the merger and assuming by operation of law the obligations of the Corporate Escrow Issuer under the Indenture, the Notes and the other applicable documents, and (iii) the Luxembourg Issuer and the US Issuer II became co-issuers of the Notes and the Luxembourg Issuer, the US Issuer II and the Note Guarantors became parties to the Indenture, the Notes, the purchase agreement, the Registration Rights Agreement and the applicable Security Documents and Intercreditor Agreements.

The terms of the new Notes are substantially identical to the terms of the old Notes, except that the new Notes are registered under the Securities Act and therefore will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old Notes and will not entitle their holders to registration rights. The new Notes will otherwise be treated as the old Notes for purposes of the Indenture.

The Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Notes. Copies of the Indenture and the Notes are filed as exhibits to the registration statement of which this prospectus forms a part and will be made available to holders of the Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the 2009 Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of the 2009 Notes section, (1) we, us and our mean Be Packaging Holdings (Luxembourg) I S.A. (including any successor in interest thereto, *BP I*) and its Subsidiaries (including the Issuers but not the Escrow Issuers) and (2) RGHL refers only to Reynolds Group Holdings Limited (including any successor in interest thereto). For all purposes of the Indenture and this Description of the 2009 Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Notes in this Description of the 2009 Notes refers to the new Notes and any old Notes that are not exchanged in the exchange offer.

The Notes were incurred pursuant to the fixed charge coverage ratio incurrence test under the Senior Note Indenture and Senior Subordinated Note Indenture and are classified as First Priority Lien Obligations thereunder and First Lien Obligations under the Indenture. For a description of the Senior Secured Credit Facilities, see Description of Certain

Other Indebtedness and Intercreditor Agreements.

In addition, the Indenture permits us to incur other Indebtedness that constitutes First Lien Obligations, which may have security interests in the Collateral that may be prior to, or *pari passu* with, the security interests securing the Notes and Note Guarantees and are classified as First Priority Lien Obligations under the Senior Note Indenture and the Senior Subordinated Note Indenture and First Lien Obligations under the October 2010 Secured Indenture, February 2011 Secured Indenture and August 2011 Secured Indenture. Any such security interests in the Collateral may give the holders thereof rights with respect to the Collateral, including enforcement of the Liens with respect thereto, that may diminish the value of the security interests in the Collateral in favor of the Notes.

Brief Description of the Notes and the Note Guarantees

The Notes are general senior secured obligations of the Issuers and:

Are the joint and several obligations of the Issuers;

are effectively senior to all of our unsecured Indebtedness to the extent of the value of the Collateral securing the Notes;

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of the Issuers; including the May 2010 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, and the Senior Secured Credit Facilities;

are secured on a first-priority lien basis by the Collateral subject to a shared lien of equal priority with the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes; the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and certain future First Lien Obligations and certain prior ranking liens permitted under the Indenture (see Certain Covenants Liens and Certain Definitions Permitted Liens);

are effectively subordinated to the other First Lien Obligations to the extent such First Lien Obligations are secured by property that does not also secure the Notes to the extent of the value of all such property;

are senior in right of payment to any existing and future Subordinated Indebtedness of the Issuers, including the Issuers guarantees of the Senior Notes and the Senior Subordinated Notes;

are guaranteed on a senior basis by the Note Guarantors and certain of such guarantees have the benefit of the security interests described below;

are not guaranteed by BP II, a finance Subsidiary of RGHL, and therefore are effectively subordinated to all claims that holders of Senior Notes and Senior Subordinated Notes may have against the assets of BP II (other than the proceeds loans made by BP II to BP I which is included in the Collateral); and

are subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the Subsidiaries of RGHL (including BP II) that is not a Note Guarantor.

The Note Guarantees are general senior obligations of each Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Note Guarantor;

are secured on a first priority lien basis by the Collateral owned by such Note Guarantor (if any), in each case, subject to a shared lien of equal priority with the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes; the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and certain future First Lien Obligations and certain prior ranking liens permitted under the Indenture (see Certain

Covenants Liens and Certain Definitions Permitted Liens);

are effectively subordinated to the other First Lien Obligations of such Note Guarantor to the extent such First Lien Obligations are secured by property that does not also secure the Notes to the extent of the value of all such property; and are senior in right of payment to any Subordinated Indebtedness of such Note Guarantor, including such Note Guarantor s guarantee of the Senior Notes and the Senior Subordinated Notes.

All security for the Notes and the Note Guarantees is granted and implemented consistent with the Agreed Security Principles. The Agreed Security Principles are designed to give us flexibility not to pledge certain of our assets even if we would otherwise be required to do so if, among other things, in our judgment, the cost of doing so is excessive in relation to the benefit accruing to the Holders. The Agreed Security Principles may limit the amount of stock, assets and other property we pledge as Collateral from time to time and may result in different classes or series of First Lien Obligations having different security interests in our stock, assets and other property.

Principal, Maturity and Interest

On November 5, 2009, the Escrow Issuers issued $1,125 million aggregate principal amount of Dollar Notes and 450 million aggregate principal amount of Euro Notes. The Issuers may issue additional Dollar Notes or additional Euro Notes, or both, from time to time (each, *Additional Dollar Notes* or *Additional Euro Notes*, and, collectively, *Additional Notes*). Any offering of Additional Notes is subject to the covenants described below under the caption Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Liens. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase. Holders of Additional Notes actually issued will share equally and ratably in the Collateral with the holders of the Notes. Unless the context otherwise requires, for all purposes of the Indenture and this Description of the 2009 Notes, references to (1) the Dollar Notes include any Additional Dollar Notes actually issued, (2) the Euro Notes include any Additional Euro Notes actually issued and (3) the Notes include any Additional Notes actually issued.

The Notes will mature on October 15, 2016. Each Dollar Note and each Euro Note bears interest at 7.75% per annum, payable semi-annually in arrears to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year, commencing April 15, 2010. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

The Dollar Notes are issued only in fully registered form, without coupons, in minimum denominations of $100,000 and any integral multiple of $1,000 in excess thereof. The Euro Notes are issued only in fully registered form, without coupons, in minimum denominations of 50,000 and any integral multiple of 1,000 in excess thereof.

No service charge will be made for any registration of transfer or exchange of Notes, but the Issuers may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency designated by the Issuers (which initially shall be the principal corporate trust office of the Paying Agent).

Paying Agent and Registrar for the Notes

The Issuers maintain a paying agent for the Notes in New York, NY. The Issuers have also undertaken under the Indenture that they will ensure, to the extent practicable and permitted by law, that they maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income (the *Directive*) and currently intend to maintain a paying agent in London, England. The initial Paying Agent is The Bank of New York Mellon, in New York (the *Paying Agent*).

The Issuers also maintain one or more registrars (each, a *Registrar*) and a transfer agent in New York, NY. The initial Registrar is The Bank of New York Mellon. The initial transfer agent is The Bank of New York Mellon, in New York. The Registrar maintains a register outside the United Kingdom reflecting ownership of Definitive Registered Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Notes on behalf of the Issuers. The transfer agent shall perform the functions of a transfer agent.

The Issuers may change any Paying Agent, Registrar or transfer agent for the Notes without prior notice to the noteholders. BP I or any of its Subsidiaries may act as Paying Agent (other than with respect to Global Notes) or Registrar subject to the requirement to maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the Directive.

Optional Redemption

Dollar Notes

In addition to the optional redemption for taxation reasons as described below, on or after October 15, 2012, the Issuers may redeem the Dollar Notes at their option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on October 15 of the years set forth below. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Period	**Redemption Price**
2012	103.875%
2013	102.583%
2014	101.292%
2015 and thereafter	100.000%

In addition, at any time and from time to time prior to October 15, 2012, the Issuers may redeem the Dollar Notes at their option, in whole or in part, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at a redemption price equal to 100% of the principal amount of the Dollar Notes redeemed plus the Applicable Premium (as calculated by the Issuers or on behalf of the Issuers by such person as the Issuers shall designate) as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, at any time and from time to time prior to October 15, 2012, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Dollar Notes (calculated after giving effect to any issuance of any Additional Dollar Notes) with the net cash proceeds of one or more Equity Offerings (1) by BP I or (2) any direct or indirect parent of BP I, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of BP I or any of its Subsidiaries or used to purchase Capital

Stock (other than Disqualified Stock) of any such entity from it, at a redemption price (expressed as a percentage of principal amount thereof) of 107.750%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65% of the original aggregate principal amount of the Dollar Notes (calculated after giving effect to any issuance of any Additional Dollar Notes) remain outstanding after each such redemption; provided further, however, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days notice mailed to each holder of Dollar Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Euro Notes

In addition to the optional redemption for taxation reasons as described below, on or after October 15, 2012, the Issuers may redeem the Euro Notes at their option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable Euroclear and Clearstream procedures), at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on October 15 of the years set forth below. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Period	**Redemption Price**
2012	103.875%
2013	102.583%
2014	101.292%
2015 and thereafter	100.000%

In addition, at any time and from time to time prior to October 15, 2012, the Issuers may redeem the Euro Notes at their option, in whole or in part, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable Euroclear and Clearstream procedures), at a redemption price equal to 100% of the principal amount of the Euro Notes redeemed plus the Applicable Premium (as calculated by the Issuers or on behalf of the Issuers by such person as the Issuers shall designate) as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, at any time and from time to time prior to October 15, 2012, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Euro Notes (calculated after giving effect to any issuance of any Additional Euro Notes) with the net cash proceeds of one or more Equity Offerings (1) by BP I or (2) any direct or indirect parent of BP I, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of BP I or any of its Subsidiaries or used to purchase Capital Stock (other than Disqualified Stock) of any such entity from it, at a redemption price (expressed as a percentage of principal amount thereof) of 107.750%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65% of the original aggregate principal amount of the Euro Notes (calculated after giving effect to any issuance of any Additional Euro Notes) remain outstanding after each such redemption; provided further, however, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days notice mailed to each holder of Euro Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Selection and Notice

If less than all of the Dollar Notes or Euro Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Dollar Notes or Euro Notes, as the case may be, for redemption or repurchase on a pro rata basis, to the extent practicable and in compliance with the requirements of Euroclear, Clearstream or DTC, as applicable, and any stock exchange on which the applicable Notes are then admitted to trading; provided, however, that (1) no Dollar Note of $100,000 in aggregate principal amount or less, or other than in an integral multiple of $1,000 in excess thereof, shall be redeemed in part and (2) no Euro Note of 50,000 in aggregate principal amount or less, or other than in an integral multiple of 1,000 in excess thereof, shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Note in currency and in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the secured noteholder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuers are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Notes as described under the captions Change of Control and Certain Covenants Asset Sales. We and our affiliates may at any time and from tin to time purchase Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Notes, at their option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days prior notice (which notice will be irrevocable) to the secured noteholders mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any, to the date fixed for redemption (a *Tax Redemption Date*) (subject to the right of secured noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined under Withholding Taxes below), if any, then due or that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers determine in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under Withholding Taxes below) affecting taxation; or

(2) any change in official position regarding the application, administration or interpretation of such laws, treaties, protocols, regulations or rulings (including a holding, judgment or order by a government agency or court of

competent jurisdiction) (each of the foregoing in clauses (1) and (2), a *Change in Tax Law*), any Payor (as defined under Withholding Taxes below), with respect to the Notes or a Note Guarantee is, or on the next date on which any amount would be payable in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to such Payor (including the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through another Payor), provided that none of the Issuers nor any Note Guarantor shall be required to take any measures that in the Issuers good faith determination would result in the imposition on such person of any legal or regulatory burden or the incurrence by such person of additional costs, or would otherwise result in any adverse consequences to such person.

In the case of any Payor, the Change in Tax Law must be announced or become effective on or after the date of the Offering Circular. Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts. Prior to the publication, mailing or delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officers Certificate stating that they are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to their right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Payor would be obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officers Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the secured noteholders.

Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

The foregoing provisions will apply mutatis mutandis to the laws and official positions of any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Indenture.

Withholding Taxes

All payments made by any Issuer or any Note Guarantor or any successor in interest to any of the foregoing (each, a *Payor*) on or with respect to the Notes or any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law, provided, however that a Payor, in any case, may withhold from any interest payment made on any Note to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on such Note were treated as income from sources within the U.S. for U.S. federal income tax purposes. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having power to tax) from or through which payment on the Notes or any Note Guarantee is made by such Payor, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having the power to tax) in which a Payor that actually makes a payment on the Notes or its Note Guarantee is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1) and (2), a *Relevant Taxing Jurisdiction*), will at any time be required from any payments made with respect to the Notes or any Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the

Additional Amounts) as may be necessary in order that the net amounts received in respect of such payments by the secured noteholders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the Notes or the Note Guarantees in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed or levied but for the existence of any present or former connection between the relevant secured noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant secured noteholder, if such secured noteholder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;

(2) any Taxes that would not have been so imposed or levied if the holder of the Note had complied with a reasonable request in writing of the Payor (such request being made at a time that would enable such holder acting reasonably to comply with that request) to make a declaration of nonresidence or any other claim or filing or satisfy any certification, information or reporting requirement for exemption from, or reduction in the rate of, withholding to which it is entitled (provided that such declaration of nonresidence or other claim, filing or requirement is required by the applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes);

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest under the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment pursuant to the Directive or any law implementing, or introduced in order to conform to, the Directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a Note presented for payment by or on behalf of a secured noteholder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the secured noteholder or (y) where, had the beneficial owner of the Note been the holder of the Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority of the Relevant Taxing Jurisdiction in accordance with applicable law. Upon request, the Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each relevant taxing authority of each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. If, notwithstanding the efforts of such Payor to obtain such receipts, the same are not obtainable, such Payor will provide the Trustee with other evidence reasonably satisfactory to the applicable Holder.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Notes, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officers

Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to secured noteholders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officers Certificate and such other information as promptly as practicable after the date that is 30 days prior to the payment date, but no less than five (5) Business Days prior thereto, and otherwise in accordance with the requirements of DTC, Euroclear or Clearstream, as applicable).

Wherever in the Indenture, the Notes, any Note Guarantee or this Description of the 2009 Notes there is mentioned, in any context:

(1) the payment of principal,

(2) redemption prices or purchase prices in connection with a redemption or purchase of Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the Indenture, or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the secured noteholders and the Trustee for any such taxes paid by such secured noteholders. The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein.

Agreed Tax Treatment

The Issuers agree, and by acquiring an interest in the Euro Notes each beneficial owner of a Euro Note agrees, to treat for U.S. federal income tax purposes all of the Euro Notes as debt of the Luxembourg Issuer (or the sole owner of the Luxembourg Issuer) (from original issuance) and interest payments on the Euro Notes as non-U.S. source interest. The Issuers agree, and by acquiring an interest in the Dollar Notes each beneficial owner of a Dollar Note agrees to treat for U.S. federal income tax purposes (i) $377,241,755 in principal amount of the Dollar Notes as debt of the Luxembourg Issuer (or the sole owner of the Luxembourg Issuer) (from original issuance) and $747,758,245 in principal amount of the Dollar Notes as debt of the sole owner of the US Issuers (from original issuance) and (ii) interest payments on the portion of the Dollar Notes that is treated as debt of the Luxembourg Issuer (or its sole owner) as non-U.S. source interest and interest payments on the portion of the Dollar Notes that is treated as debt of the sole owner of the US Issuers as U.S. source interest. Notwithstanding the foregoing, any Issuer or any other Payor may withhold from any interest payment made on any Note to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Issuer or other Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on such Note were treated as income from sources within the U.S. for U.S. federal income tax purposes.

Ranking

The indebtedness evidenced by the Notes is Senior Indebtedness of the Issuers, is equal in right of payment to all existing and future Senior Indebtedness of the Issuers, has the benefit of a security interest in the Collateral as described under Security and is senior in right of payment to all existing and future

Subordinated Indebtedness of the Issuers (including the guarantee of the Senior Notes and the Senior Subordinated Notes by each Issuer).

The Indebtedness evidenced by the Note Guarantees is Senior Indebtedness of the applicable Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Note Guarantor, has the benefit of a security interest in the Collateral as described under Security and is senior in right of payment to all existing and future Subordinated Indebtedness of such Note Guarantor, including such Note Guarantor s obligations with respect to the Senior Notes and the Senior Subordinated Notes. BP II, the issuer of the Senior Notes and the Senior Subordinated Notes, has not guaranteed and will not guarantee the Notes or the obligations under the Senior Secured Credit Facilities.

See Security for a description of the Collateral and the lien priority with respect thereto.

At December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions (as defined in The Transactions):

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,518 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $35 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of Secured Indebtedness under Local Facilities;

(2) RGHL and its Subsidiaries had an aggregate principal amount of $10,974 million of First Lien Obligations that share a *pari passu* lien in the Collateral with the Senior Secured Notes (excluding letters of credit which have been issued, but not drawn upon, $35 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of Secured Indebtedness under Local Facilities); and

(3) RGHL and its Subsidiaries had an aggregate principal amount of $17,516 million of unsubordinated Indebtedness outstanding (whether secured or unsecured) consisting of amounts outstanding under the Senior Secured Credit Facilities, the Senior Notes (including the Senior Note Guarantees with respect thereto), the February 2012 Notes (including the guarantees with respect thereto), the August 2011 Senior Secured Notes (including the guarantees with respect thereto), the August 2011 Senior Notes (including the guarantees with respect thereto), the February 2011 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Notes (including the guarantees with respect thereto), the October 2010 Senior Secured Notes (including the guarantees with respect thereto), the October 2010 Senior Notes (including the guarantees with respect thereto), the May 2010 Notes (including the guarantees with respect thereto), the Notes (including the guarantees with respect thereto) and the 2007 Senior Notes (but not including the guarantees with respect thereto), Pactiv s outstanding indebtedness, the Local Facilities and certain other local overdraft and local working capital facilities.

In addition, at December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions, RGHL and its Subsidiaries had an aggregate of $1,189 million of Subordinated Indebtedness outstanding consisting of the 2007 Senior Subordinated Notes (including the guarantees with respect thereto) and the guarantees of the 2007 Senior Notes. In addition, RGHL and its Subsidiaries had $25 million of indebtedness outstanding under Local Facilities.

Although the Indenture limits the Incurrence of Indebtedness by BP I, BP II and any Restricted Subsidiaries and the issuance of Disqualified Stock and Preferred Stock by the Issuers and any other Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, BP II and BP I and their respective Subsidiaries (including the Issuers) may be able to Incur substantial amounts of additional

Indebtedness. Such Indebtedness may be Secured Indebtedness that has a prior or pari passu claim to the Notes on the Collateral or a claim on assets not constituting Collateral. The covenants do not limit the amount of Indebtedness that RGHL may incur. See Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens.

The US Issuer I is a finance company with no operations of its own, and its only material assets are the US Proceeds Loans. The US Issuer II is a finance company with no operations of its own, and no material assets. The Luxembourg Issuer is a finance company with no operations of its own, and its only material assets are the Luxembourg Proceeds Loans. Substantially all of the operations of RGHL are conducted through RGHL s Subsidiaries. Unless a Subsidiary is a Note Guarantor or one of the Issuers, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Note Guarantors, including holders of the Notes. The Notes, therefore, are effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of RGHL that are not one of the Issuers or the Note Guarantors (including BP II, which is a finance company). As of December 31, 2011, our various subsidiaries that are not one of the Issuers, the issuer of the 2007 Notes, or Senior Note Guarantors had no more than approximately $10 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $1,577 million of total assets. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Not all of our subsidiaries guarantee the notes, and the notes and the guarantees of the notes will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

Note Guarantees

Each of the Note Guarantors jointly and severally, irrevocably and unconditionally guarantees, on a senior basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuers under the Indenture and the Notes, whether for payment of principal of, premium, if any, or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Note Guarantors being herein called the *Guaranteed Obligations*), subject to limitations imposed by applicable local law and certain other limitations imposed by the terms of such guarantees; provided, however, that in no event shall a US Controlled Foreign Subsidiary be required to guarantee the Guaranteed Obligations. The Note Guarantors include entities organized in the following jurisdictions: Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, the United States and the United Kingdom. The Note Guarantees are subject to a variety of local laws that may limit or void the Note Guarantees and any security interest with respect thereto and certain other limits imposed under the terms of such Note Guarantees. In some jurisdictions, such as, for example, Japan, Costa Rica and Australia although our subsidiaries in those jurisdictions are Note Guarantors, they will not pledge any of their assets as Collateral for the Notes pursuant to the Agreed Security Principles. This may be the case even if they pledge some or all of their assets as collateral for the Senior Secured Credit Facilities. For a description of such limitations and the risks associated with the Note Guarantees and Collateral, see

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Fraudulent conveyance laws and other limitations on the enforceability of the notes, the guarantees and, as applicable, the related security, may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Insolvency laws could limit your ability to enforce your rights under the notes, the guarantees and, in the case of the senior secured notes, the security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers; and

Certain Insolvency and Other Local Law Considerations.

Such Note Guarantors have agreed, and any of RGHL s Subsidiaries that subsequently become Note Guarantors will agree, to pay, subject to limitations imposed by applicable local law and certain other limitations, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee, the Collateral Agent or the holders in enforcing any rights under the Note Guarantees and the Security Documents. The Notes and the Note Guarantees of a Note Guarantor constitute Designated Senior Indebtedness of the Issuers and such Note Guarantor for purposes of the Senior Notes Indenture, the Senior Subordinated Notes Indenture and the Existing Intercreditor Agreement. For a description of the Collateral and lien priority and intercreditor agreements, see Security below.

The Notes are guaranteed by the same entities that currently are or are expected to become obligors under, or guarantors of, the Senior Notes, the Subordinated Notes, the May 2010 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, and the Senior Secured Credit Facilities. Any future guarantor of the Senior Secured Credit Facilities, any other Credit Agreement or Public Debt of BP I, BP II or their respective Subsidiaries are only required to provide Note Guarantees as required by the covenant under Certain Covenants Future Note Guarantors. The obligation to provide Note Guarantees for the benefit of the Notes in the future is subject to the Agreed Security Principles. Accordingly, in the future, other Indebtedness, including the Senior Secured Credit Facilities, the May 2010 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, the Senior Notes and the Subordinated Notes, could have the benefit of guarantees that are not also provided in favor of the Notes. See Ranking.

Each Note Guarantee is a continuing guarantee and shall, subject to the next paragraph:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) be binding upon each such Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

Release of Note Guarantees

Subject to the First Lien Intercreditor Agreement and the Existing Intercreditor Agreement, a Note Guarantee of a Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Indenture as a result of which such Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Note Guarantor of the Senior Secured Credit Facilities or such other guarantee or other obligation that resulted in the creation of such Note Guarantee, except a release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Note Guarantor to be an Unrestricted Subsidiary in accordance with the covenants described under Certain Covenants Limitation on Restricted Payments and the definition of Unrestricted Subsidiary;

(4) the Issuers exercise of their legal defeasance option or covenant defeasance option as described under Defeasance, or if the Issuers obligations under the Indenture are discharged in accordance with the terms of the Indenture; or

(5) the transfer or sale of the equity interests of such Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Indenture relating to the release have been complied with. A Note Guarantee of a Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets and RGHL will be released from its Note Guarantee in connection with the substantially concurrent transfer by RGHL of the capital stock of BP I to a newly formed subsidiary of RGHL (*Midco*); provided that (a) Midco is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof or New Zealand; (b) Midco expressly assumes or replaces all the obligations of RGHL under the Indenture, the Registration Rights Agreement, the Notes, the Security Documents to which RGHL is a party, the First Lien Intercreditor Agreement and RGHL s Note Guarantee pursuant to a supplemental or replacement indenture or other documents or instruments in form reasonably satisfactory to the Trustee; (c) immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness which becomes an obligation of Midco as a result of such transaction as having been Incurred by Midco at the time of such transaction), no Default shall have occurred and be continuing and the Issuers would be able to Incur an additional 1.00 of Indebtedness pursuant to the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (d) RGHL delivers to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such transfer and such supplemental indenture and Security Documents comply with the Indenture (and in giving such opinion such counsel may rely on an Officers Certificate as to any matters of fact); and (e) RGHL delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of RGHL approving such transaction and set forth in an Officers Certificate certifying that such transaction complies with the requirements of the Indenture.

Upon any occurrence specified in the two preceding paragraphs, the Trustee shall, at the instruction of and at the cost of the Issuers, execute any documents reasonably requested of it to evidence such release.

Addition of Note Guarantors

Under certain circumstances and subject to the Agreed Security Principles, additional Restricted Subsidiaries may be added as Note Guarantors (see Certain Covenants Future Note Guarantors).

Security

General

The Notes and the Note Guarantees, with certain exceptions, have the benefit of Liens in the Collateral, which consist of first priority security interests shared with the other First Lien Obligations, including the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes; the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (subject to Permitted Liens, which may rank ahead of the first priority security interests for the benefit of the Notes, and the exceptions described below), in the Collateral; provided, however, that in no event shall more than 65% of the total outstanding voting Equity Interests, or any of the assets, of any US Controlled Foreign Subsidiary be required to be pledged. The Issuers and RGHL together with the Trustee will be responsible for implementing the security arrangements for the Notes and such arrangements may not be implemented in a timely manner or at all.

The Collateral consists of (i) 100% of the Capital Stock of certain existing and future, direct and indirect, wholly owned Subsidiaries of RGHL, the Issuers and the Note Guarantors (subject to the limitations described under Limitations on Stock Collateral and certain other limitations, including as described in the Agreed Security Principles) and (ii) certain assets of the Issuers and certain of the Guarantors located in Austria, Brazil, the British Virgin Islands, Canada, Germany, Guernsey, Hong Kong, Hungary, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, the United Kingdom and the United States.

The Collateral does not comprise all of the assets of the Issuers or the Note Guarantors and is further limited to the extent set forth in the Agreed Security Principles. Among other exclusions from the Collateral:

Security will not be provided by non-wholly owned Subsidiaries;

Security will be limited to the extent deemed necessary to comply with legal limitations, avoid significant tax disadvantages, comply with certain third party arrangements, satisfy fiduciary duties of directors and minimize fees, taxes and duties;

Security will not be provided over assets with values lower than certain agreed materiality thresholds, including a 5 million threshold for real property, a 250,000 threshold for manufacturing equipment in some jurisdictions and a 1 million threshold for certain intellectual property; and

Security will not be provided to the extent it would have a material adverse effect on the ability of the relevant Issuer or Note Guarantor to conduct business in the ordinary course;

We estimate that the assets of Reynolds Group Holdings Limited and its subsidiaries that are part of the Collateral securing the Notes have a book value greater than the amount of our outstanding secured indebtedness, which totaled $10,353 million, as of December 31, 2011 and measured in accordance with IFRS. Much of the Collateral is, and is expected to continue to be, illiquid, both by its nature and as a result of local limitations relating to enforcement (see Certain Insolvency and Other Local Law Considerations). Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time or at all or that its value will exceed the amount of Indebtedness it secures, including the Notes.

There are other potential impediments to Holders realizing upon the full value of the Collateral. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes. Among the potential impediments described in such risk factors are risks relating to enforcement of the security interests in jurisdictions outside of the United States, risks relating to dilution of the Collateral by other secured creditors, including the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes; the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and any future permitted secured Indebtedness, risks relating to the use of a Collateral Agent for purposes of securing and enforcing upon the Collateral and risks relating to control of the Collateral Agent by the administrative agent under the Senior Secured Credit Facilities, or the representatives of the holders of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes or the August 2011 Senior Secured Notes, as the case may be, and not by the Trustee or the Holders.

Subject to certain conditions, including compliance with the covenants described under Certain Covenants Impairment of Security Interest and Certain Covenants Liens, the Note Guarantors and the Issuers are permitted to pledge the Collateral in connection with certain future Incurrences of Indebtedness, including any Additional Notes, or certain Indebtedness of the Issuers or Indebtedness of the Note Guarantors, in each case as permitted under the Indenture. This may make the Collateral less valuable for the holders of the Notes.

Except as limited by Certain Covenants Impairment of Security Interest, the Issuers and the Note Guarantors may take actions that would result in diminishing (possibly to zero) the value or existence of the Collateral. In the future, additional assets may be pledged by us to secure debt under the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, a Credit Agreement or other Public Debt but may not be pledged to secure the Notes. The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of our assets will not constitute Collateral for the Notes in any form. Accordingly, the value of the Collateral could be substantially less than the aggregate principal amount of our First Lien Obligations, including the Notes, Senior Secured Credit Facilities, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes and other Secured Indebtedness.

Accordingly, holders of the Notes have the benefit of a security interest in only a portion of the value of the Collateral expected to secure the Notes. In addition, certain of the stock and assets pledged by the Note Guarantors in some jurisdictions have been pledged on a priority basis to secure the obligations to the lenders under certain local working capital facilities. See Certain Covenants Future Collateral for a description of our obligations with respect to assets acquired by us. The Issuers and the Note Guarantors will not be required to implement any such security arrangements or enter into Security Documents with respect to Collateral owned or acquired by us, if, in the good faith determination of BP I, doing so would, or would result in a material risk of, conflict with the fiduciary duties of their directors or contravene any legal prohibition or, in the good faith determination of BP I, result in, or in a material risk of, personal or criminal liability on the part of any officer, director or shareholder of BP I, BP II or any of their respective parents or subsidiaries, or if, in the good faith determination of BP I, it would be inconsistent with the Agreed Security Principles; provided, however, that the relevant Issuer or the relevant Note Guarantor must use commercially reasonable efforts to overcome any such obstacle. Under the commercially reasonable efforts standard, perfection of the security interests will not be required if, in the good faith determination of BP I, it would have a material adverse effect on the ability of any of the Issuers or the relevant Note Guarantor to conduct its operations and business in the ordinary course or if, in the good faith determination of BP I, it would be inconsistent with the Agreed Security Principles. If the Issuers and the Note Guarantors do not implement such security arrangements for the benefit of the Notes (other than in circumstances in accordance with the Agreed Security Principles or as described under Limitation on Stock Collateral below), they will be prohibited from implementing security arrangements with respect to the Senior Secured Credit Facilities, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes and Public Debt or other Indebtedness except, in the case of such other Indebtedness, for Permitted Liens.

The aggregate amount of the obligations secured by the Collateral may, subject to the limitations set forth in the Indenture, be increased. A portion of the obligations secured by the Collateral consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed and such obligations may, subject to the limitations set forth in the Indenture, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the provisions of the First Lien Intercreditor Agreement defining the relative rights of the parties thereto.

The Issuers and the Note Guarantors will be able to incur additional First Lien Obligations in the future that could share in the Collateral, including Indebtedness secured by a Permitted Lien that may be prior to, or pari passu with, Liens securing the Notes. In addition, we may Incur Indebtedness secured by a Permitted Lien over assets that are not part of the Collateral, and the amount thereof could be significant. The amount of Secured Indebtedness secured with priority over, or on an equal and ratable basis with, Liens securing the Notes will be limited by the covenant disclosed under Certain Covenants Liens, and the amount of all such additional indebtedness will be limited by the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuances of Disqualified Stock and Preferred Stock. Under certain circumstances the amount of Indebtedness and other obligations that benefit from prior ranking security interests or that shares equally and ratably in the Collateral could be significant.

Subject to the terms of the Security Documents, the Issuers and the Note Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Rights of holders of the senior secured notes may be adversely affected by bankruptcy proceedings in the United States.

Limitations on Stock Collateral

The Capital Stock and securities of any Restricted Subsidiary (other than BP I, for which we will provide separate financial statements) will constitute Collateral only to the extent that the securing of the Notes with such Capital Stock and securities would not require such Note Guarantor to file separate financial statements with the SEC under Rule 3-16 of Regulation S-X under the Securities Act. In the event that Rule 3-16 of Regulation S-X under the Securities Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation that would require) the filing with the SEC of separate financial statements of any Restricted Subsidiary (other than BP I) due to the fact that such Restricted Subsidiary s Capital Stock and securities secure the Notes or any Note Guarantee, then the Capital Stock and securities of such Restricted Subsidiary shall automatically be deemed not to be part of the Collateral (but only to the extent necessary for such Restricted Subsidiary to not be subject to such requirement to provide separate financial statements) and such excluded portion of the Capital Stock and securities is referred to as the Excluded Stock Collateral. In such event, the Security Documents may be amended, modified or supplemented, without the consent of any Holder, to the extent necessary to release the security interests on the Excluded Stock Collateral.

In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation that would permit) any Restricted Subsidiary s Excluded Stock Collateral to secure the Notes in excess of the amount then pledged without the filing with the SEC of separate financial statements of such Note Guarantor, then the Capital Stock and securities of such Restricted Subsidiary shall automatically be deemed to be a part of the Collateral (but only to the extent possible without such Restricted Subsidiary becoming subject to any such filing requirement). In such event, the Security Documents may be amended or modified, without the consent of any Holder, to the extent necessary to subject to the Liens under the Security Documents such additional Capital Stock and securities.

In accordance with the limitations set forth in the two immediately preceding paragraphs, on the date that Rule 3-16 of Regulation S-X becomes applicable to the Notes, other than with respect to BP I, whose shares of Capital Stock will be part of the Collateral without regard to the limits described above, the Collateral will include shares of Capital Stock of the Restricted Subsidiaries only to the extent that the applicable value of such Capital Stock (on an entity-by-entity basis) is less than 20% of the aggregate principal amount of the outstanding Notes. To the extent that the Dollar Notes and the Euro Notes are not treated as a single class for purposes of Rule 3-16 of Regulation S-X, the foregoing Collateral limits would apply to each class separately, which could lead to different security interests in the stock securing the Dollar Notes and the Euro Notes. Certain of the Note Guarantors have Capital Stock valued at or in excess of 20% of the aggregate principal amount of the outstanding Notes; accordingly if Rule 3-16 of Regulation S-X under the Securities Act was applicable to the Notes on such date, each such Note Guarantor s pledge of such stock as Collateral would be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Notes pursuant to these provisions. In the event that Rule 3-16 of Regulation S-X becomes applicable to the Notes, we anticipate that the Capital Stock of multiple subsidiaries of ours organized in various jurisdictions will be subject to such limitations. If, at any time after Rule 3-16 of Regulation S-X becomes applicable to the Notes, the applicable value of the Capital Stock of any Note Guarantor is equal to or exceeds 20% of the aggregate principal amount of the Notes outstanding, the pledge of such Note Guarantor s Capital Stock shall automatically be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Notes. If, at any time after the date Rule 3-16 of Regulation S-X becomes applicable to the Notes, the applicable value of 100% of the Capital Stock of any Note Guarantor becomes less than 20% of the aggregate principal amount of the Notes outstanding and the pledge of such Capital Stock has been deemed limited in accordance with this paragraph prior to such date, the pledge of such Note Guarantor s Capital Stock shall automatically be deemed to be 100% of its Capital Stock. Accordingly, the portion of the Capital Stock of the Issuers or the Note Guarantors constituting Collateral may decrease or increase as described above. We conduct substantially all of our business through our subsidiaries, many of which have capital stock with a value in excess of 20% of the aggregate principal amount of the Notes. Accordingly, the pledge of stock and securities with respect to each such subsidiary will be limited in value to less than 20% of the aggregate principal amount of the Notes.

In certain circumstances, the pledges by certain entities of intercompany proceeds loans to which they are a party, including the pledge of the Luxembourg Proceeds Loans by the holders thereof and the pledge of the US Proceeds Loans by the holders thereof could be viewed as a pledge of a security by such entity. Accordingly, such entities pledge of such proceeds loans could be limited to 20% of the value of the proceeds loans, in accordance with the foregoing paragraphs.

Brief Summary of Security Documents and Intercreditor Agreements

The Issuers, the Note Guarantors, the Trustee and the Collateral Agent (or agents thereof) have entered into multiple agreements or other instruments defining the terms of the security interests that secure the Notes and the Note

Guarantees. Those agreements or other instruments pursuant to which security interests in the Collateral are granted to secure the Notes or the Note Guarantees from time to time are referred to as the Security Documents. The security interests secure the payment and performance when due of the

Obligations of the Issuers and the Note Guarantors under the Notes, the Indenture, the Note Guarantees and the Security Documents, as provided in the Security Documents. Since the Holders are not parties to the Security Documents, the First Lien Intercreditor Agreement or the Existing Intercreditor Agreement, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents, the First Lien Intercreditor Agreement or the Existing Intercreditor Agreement. The Holders may only act by instructing the Trustee to act whether through the Collateral Agent or otherwise.

We are party to two intercreditor agreements that govern the relative rights of the obligors under our existing and future financing arrangements: (1) the Existing Intercreditor Agreement which sets forth the relative rights and obligations with respect to the Notes, lenders under the Senior Secured Credit Facilities and certain Local Facilities and providers of Hedging Obligations, the holders of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, the holders of the Senior Notes and the holders of the Senior Subordinated Notes and (2) the First Lien Intercreditor Agreement which sets forth the relative rights and obligations of the lenders under the Senior Secured Credit Facilities and certain Local Facilities and providers of Hedging Obligations and the holders of the Notes the holders of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, with respect to the Collateral. See Description of Certain Other Indebtedness and Intercreditor Agreements First Lien Intercreditor Agreement.

The Collateral Agent, the Trustee, as representative for the holders of the Notes, and the administrative agent under the Senior Secured Credit Facilities, among others, as representative for the secured parties under the Senior Secured Credit Facilities, entered into the First Lien Intercreditor Agreement, which may be amended from time to time without the consent of the secured parties thereto to add other secured parties to whom we owe First Lien Obligations permitted to be incurred under the Indenture and the Senior Secured Credit Facilities.

Under the First Lien Intercreditor Agreement, as described below, the Applicable Representative has the right to direct the Collateral Agent to initiate foreclosures, release Liens in accordance with the Senior Secured Credit Facilities, the Note Documents and the indentures, security documents and other documents related to the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes and the documents governing any other series of *pari passu* first lien obligations that are included as Additional Obligations as defined in and under the First Lien Intercreditor Agreement, and take other actions with respect to the Shared Collateral (as defined below), and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement have no right to direct the Collateral Agent to take actions with respect to the Shared Collateral. The Applicable Representative is currently the administrative agent under the Senior Secured Credit Facilities. As long as such administrative agent is the Applicable Representative, the Trustee, as representative of the secured noteholders, will have no rights to direct the Collateral Agent to take any action under the First Lien Intercreditor Agreement. Generally, Shared Collateral means, at any time, Collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid security interest or upon the enforcement of any guarantee held by two or more series of Obligations (or their respective representatives), the proceeds of such enforcement.

The administrative agent under the Senior Secured Credit Facilities will remain the Applicable Representative until the earlier of (1) the discharge of our Obligations under the Senior Secured Credit Facilities and (2) the Cut-Off Date (as defined below) (unless the Cut-Off-Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof). After such date, the Applicable Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Credit Facilities, with respect to the Shared Collateral (the *Non-Controlling Representative*) (which series of Obligations may be the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes or an additional series of Obligations to be incurred in the future). Accordingly, the Trustee, as representative of the holders of the Notes, may not ever have the right to control the remedies and take other actions with respect to the

Shared Collateral.

The *Cut-Off Date* means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such Person was the Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Collateral Agent s and each other relevant representative s receipt of written notice from such Non-Controlling Representative certifying that (x) such an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Credit Facilities or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Under the First Lien Intercreditor Agreement, (i) the Applicable Representative has the sole right to instruct the Collateral Agent to act or refrain from acting with respect to the Shared Collateral, (ii) the Collateral Agent shall not follow any instructions with respect to such Shared Collateral from any representative of any Non-Controlling Secured Party (as defined below) or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) and (iii) no representative of any Non-Controlling Secured Party or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) will instruct the Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral. A *Non-Controlling Secured Party* shall mean any secured party to the First Lien Intercreditor Agreement whose representative under the First Lien Intercreditor Agreement is not the Applicable Representative. Until the earlier of (1) the discharge of our Obligations under the Senior Secured Credit Facilities and (2) the Cut-Off Date (unless the Cut-Off-Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof), the holders of Notes, the holders of the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes will be Non-Controlling Secured Parties. Accordingly, the holders of Notes could be Non-Controlling Secured Parties indefinitely.

Notwithstanding the equal priority of the Liens on any Shared Collateral, the Collateral Agent, acting on the instructions of the Applicable Representative, may deal with the Collateral as if such Applicable Representative had a senior Lien on such Collateral. No representative of any Non-Controlling Secured Party may contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent. Each of the parties to the First Lien Intercreditor Agreement will agree that it will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the parties to the First Lien Intercreditor Agreement in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred) has occurred and is continuing and the Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding or otherwise of any grantor of Collateral, or the Collateral Agent or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Collateral Agent or any secured party and proceeds of any such distribution, shall be applied (i) first, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series

of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred, (ii) second, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement on a ratable basis in accordance with the amounts of such Obligations under the terms of the applicable instrument pursuant to which such Obligations have been incurred and (iii) third, to satisfy other Obligations, including to the extent applicable, under the Existing Intercreditor Agreement.

If any party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement, then it shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

In addition, under the First Lien Intercreditor Agreement, each secured noteholder and secured party under the Senior Secured Credit Facilities (and any additional Persons who may become party to the First Lien Intercreditor Agreement) agrees that (i) it will not institute any suit or assert in any insolvency or litigation proceeding any claim against the Collateral Agent or any other party to the First Lien Intercreditor Agreement seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, (ii) it will not seek, and will waive any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral and (iii) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the First Lien Intercreditor Agreement.

By purchasing the Notes, each noteholder authorized the Trustee (1) to appoint the Collateral Agent to act on its behalf as the Collateral Agent under the First Lien Intercreditor Agreement and under each of the other Security Documents and (2) to authorize the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of the First Lien Intercreditor Agreement and the other Security Documents, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any grantor thereunder to secure any of the First Lien Obligations, together with such powers and discretion as are reasonably incidental thereto.

The First Lien Intercreditor Agreement provides that the Collateral Agent shall not have any duties or obligations except those expressly set forth therein and in the other Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the First Lien Intercreditor Agreement or by the other Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Security Document or applicable law;

(iii) shall not, except as expressly set forth in the First Lien Intercreditor Agreement and in the other Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a grantor or any of its Affiliates that is communicated to or obtained by the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) with the consent or at the request of the Applicable Representative or (2) in the absence of its own gross negligence or willful misconduct or (3) in reliance on a certificate of an authorized officer of an Issuer stating that such action is permitted by the terms of this Agreement; and

(v) shall not be required to take any action for which it has not received written directions and indemnity satisfactory to it.

The Collateral Agent shall be deemed not to have knowledge of any Event of Default under any series of Obligations unless and until notice describing such Event Default is given to the Collateral Agent by the Representative of such Obligations or a party to the First Lien Intercreditor Agreement. In addition, among other things, the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with the First Lien Intercreditor Agreement or any other Security Document, (2) the contents of any certificate, report or other document delivered under the First Lien Intercreditor Agreement or any other Security Document, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in the First Lien Intercreditor Agreement or any other Security Document, or the occurrence of any Default, (4) the creation, perfection or priority of any Lien purported to be created by the Security Documents or (5) the value or the sufficiency of any Collateral for any series of Obligations, including the Notes.

Future Collateral

Subject to the limitations and exceptions in the Agreed Security Principles, if the Issuers or any Note Guarantor creates any additional security interest upon any property or asset to secure any other First Lien Obligations under the Senior Secured Credit Facilities, any other Credit Agreement or Public Debt, it must use commercially reasonable efforts to concurrently grant a security interest (subject to Permitted Liens) upon such property as security for the Notes; provided, however, that it will not be required to do so if, in the good faith determination of BP I, so doing would, or would result in a material risk of, conflict with the fiduciary duties of the directors of BP I, BP II or any of their respective parents or subsidiaries or contravene any legal prohibition or, in the good faith determination of BP I, result in, or in material risk of, personal or criminal liability on its part of any officer, director or shareholder of BP I, BP II or any of their respective parents or subsidiaries or, in the good faith determination of BP I, be inconsistent with the Agreed Security Principles. Also, if granting a security interest in such property requires the consent of a third party, subject to the Agreed Security Principles, the Issuers will use commercially reasonable efforts to obtain such consent with respect to the security interest for the benefit of the Trustee on behalf of the holders of the Notes. Under the commercially reasonable efforts standard, the Issuers will not be obligated to seek to obtain consent if, in the good faith determination of BP I, to do so would have a material adverse effect on the ability of the Issuers or the relevant Note Guarantors to conduct their operations and business in the ordinary course or if, in good faith determination of BP I, to do so would be inconsistent with the Agreed Security Principles. If such third party does not consent to the granting of the security interest after the use of such commercially reasonable efforts, the applicable entity will not be required to provide such security interest. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Security interests in respect of the collateral may be adversely affected by the failure to perfect security interests in certain collateral presently owned or acquired in the future and Certain Covenants Future Collateral.

Release of Collateral

The security interests in the Collateral for the benefit of the Notes will be released:

(a) upon payment in full of principal, interest and all other Obligations on the Notes issued under the Indenture or discharge or defeasance thereof;

(b) to the extent a Note Guarantor would be and is so released pursuant to clause (2) under Note Guarantees Release of Note Guarantees. ;

(c) to enable us to consummate the disposition of such property or assets to the extent not prohibited under the covenant described under Certain Covenants Asset Sales ;

(d) in the case of property or assets of a Note Guarantor that is released from its Note Guarantee with respect to the Notes, on the release of the Note Guarantee of such Note Guarantor;

(e) in the case of the property and assets of a specific Note Guarantor, such Note Guarantor making a Transfer permitted by clause (y) of the last paragraph under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets ;

(f) in the circumstances described under Amendment and Waivers below (including to the extent necessary to facilitate the assumption by a Successor Company of the obligations of the Issuers under the Indenture and the Notes, to provide for the assumption by Midco of the obligations of RGHL under the Indenture and the Notes or to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee);

(g) by the Trustee or Collateral Agent, acting on the instructions of the Applicable Representative in accordance with the terms of the First Lien Intercreditor Agreement (other than releases of all or substantially all of the Collateral); or

(h) upon a legal defeasance or covenant defeasance under the Indenture as described below under Defeasance.

The security interest in the Existing Notes Collateral in favor of the Senior Notes and Senior Subordinated Notes will be released upon an enforcement action in accordance with the Existing Intercreditor Agreement. In addition, in order to secure new Indebtedness (where such Indebtedness is permitted under the Indenture and the Lien securing such Indebtedness is a Permitted Lien that is entitled to rank equal with, in priority to or behind the security interests on the Collateral, as applicable), on the date on which such new Indebtedness is incurred, and subject to no Default having occurred and being continuing, the Trustee or Collateral Agent for the Notes, as applicable, is authorized by the Trustee and the Holders to, and shall, at the request of the Issuers or RGHL, release the security interests in the Collateral and will, simultaneously with the grant of Liens in respect of the new Indebtedness, retake such security interests in the Collateral; provided, however, that all holders of Liens on behalf of other Indebtedness or obligations secured by such Collateral concurrently release and (if applicable) retake the security interests in the same manner; provided further, however, that following such release and retaking the security interests in the Collateral are not subject to any new hardening period or limitation (excluding any such hardening period or limitation that existed prior to such release and retaking) which is not also applicable to the Lien granted in favor of the new Indebtedness and any such other Indebtedness or obligations (it being understood that the new Indebtedness and such other Indebtedness and obligations may be subject to longer or more onerous hardening periods or limitations) or the Trustee shall have received a solvency opinion.

To the extent required under the mandatory provisions of the US Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*), the Issuers will comply with the provisions of Section 314(b) and 314(d) of the Trust Indenture Act, in each case following qualification of the Indenture pursuant to the Trust Indenture Act. Any certificate or opinion required by Section 314(d) of the Trust Indenture Act may be delivered by an Officer of any Issuer except in cases where Section 314(d) requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Issuers and the Guarantors will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act if they determine, in good faith based on advice of counsel (which may be internal counsel), that under the terms of such section or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including no action letters or exemptive orders, all or any portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released Collateral. Without limiting the generality of the foregoing, certain no-action letters issued by the SEC have permitted an indenture qualified under the Trust Indenture Act to contain provisions permitting the release of collateral from liens under such indenture in the ordinary course of our business without requiring us to provide certificates and other documents under Section 314(d) of the Trust Indenture Act. In addition, under interpretations provided by the SEC, to the extent that a release of a lien is made without the need to obtain the consent of the Holders or the Trustee, the provisions of Section 314(d) may be inapplicable to the release. The Issuers believe, therefore, that such provisions of Section 314(d) will be inapplicable to the release of collateral for so long as releases of collateral are controlled by the lenders under the Senior Secured Credit Facilities and certain other conditions apply.

Upon certification by the Issuers, each of the Trustee and the Collateral Agent shall execute all documents reasonably requested of it to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications. The Collateral Agent or the Trustee, as applicable, at the instruction of and at the cost of the Issuers (as applicable), will agree to any release of the Liens on the Collateral created by the Security Documents that is in accordance with the Indenture and the First Lien Intercreditor Agreement and Existing Intercreditor Agreement without requiring any consent of the Holders, in reliance upon an Opinion of Counsel or Officers Certificate to that effect delivered by the Issuers.

Change of Control

Upon the occurrence of any of the following events (each, a *Change of Control*), each holder will have the right to require the Issuers to repurchase all or any part of such holder s Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuers have previously elected to redeem all of the Notes as described under Optional Redemption:

(1) the sale, lease or transfer, in one or a series of transactions, of all or Substantially All the assets of BP II or BP I and its Subsidiaries, taken as a whole, to a Person other than, directly or indirectly, any of the Permitted Holders;

(2) BP I becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the US Issuer I, US Issuer II, Luxembourg Issuer, BP I or BP II or any direct or indirect parent of BP I or BP II; or

(3) RGHL ceases to own, directly or indirectly, 100% of the Capital Stock of BP I, BP II, BP III or any of the Issuers, other than directors qualifying shares or other de minimis shareholdings required by law.

In the event that at the time of such Change of Control the terms of any Bank Indebtedness restrict or prohibit the repurchase of Notes pursuant to this covenant, then prior to the mailing (or delivery) of the notice to holders provided for in the immediately following paragraph but in any event within 45 days following any Change of Control, the Issuers shall:

(1) repay in full all such Bank Indebtedness or, if doing so will allow the purchase of Notes, offer to repay in full all such Bank Indebtedness and repay the Bank Indebtedness of each lender that has accepted such offer; or

(2) obtain the requisite consent under the agreements governing such Bank Indebtedness to permit the repurchase of the Notes as provided for in the immediately following paragraph.

The Issuers failure to comply with such provisions or the provisions of the immediately following paragraph shall constitute an Event of Default described in clause (4) and not in clause (2) under Defaults below.

Within 45 days following any Change of Control, except to the extent that the Issuers have exercised their right to redeem the Notes by delivery of a notice of redemption as described under Optional Redemption, or all conditions to such redemption have been satisfied or waived, the Issuers shall mail (or otherwise deliver in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) a notice (a *Change of Control Offer*) to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuers to repurchase such holder s Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the *Change of Control Payment*);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or delivered) (the *Change of Control Payment Date*);

(4) the instructions determined by the Issuers, consistent with this covenant, that a holder must follow in order to have its Notes purchased; and

(5) if applicable and such notice is mailed prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Notes or portions of the Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuers.

The Paying Agent will promptly mail (or otherwise deliver in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) to each holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Notes a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; provided, however, that each such new Dollar Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof and each such new Euro Note will be in a principal amount that is at least 50,000 and integral multiples of 1,000 in excess thereof.

Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Notes issued and outstanding.

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between RGHL, the Issuers and the Initial Purchasers. None of RGHL, BP I, BP II and the Issuers has any present intention to engage in a transaction involving a Change of Control, although it is possible that they could decide to do so in the future. Subject to the limitations discussed below, RGHL, BP I, BP II or any of the Restricted Subsidiaries, including the Issuers, could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the capital structure or credit rating of RGHL or its Restricted Subsidiaries, including the Issuers.

The occurrence of events that would constitute a Change of Control would require repayment of all amounts outstanding under the Senior Secured Credit Facilities and would trigger the requirement that we offer to purchase the May 2010 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, the Senior Notes and the Senior Subordinated Notes at 101% of the principal amount thereof. Agreements and instruments with respect to future indebtedness that RGHL or any of its Subsidiaries may incur may contain prohibitions on certain events that would constitute a Change of Control or require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuers to repurchase the Notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuers. Finally, the Issuers ability to pay cash to the holders upon a repurchase may be limited by the Issuers then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. Neither RGHL nor any of its Restricted Subsidiaries are required to advance us funds to make any Change of Control Payment. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the indentures governing the notes and similar requirements in the agreements governing our other indebtedness.

The provisions under the Indenture relating to the Issuers obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of outstanding Notes.

Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Indenture provides that:

(1) each of BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) each of BP I and BP II will not permit any Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock;

provided, however, that BP I and BP II may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis for the most recently ended four full fiscal quarters for which combined internal financial statements of BP I and BP II are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; provided, that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not the Issuers or Note Guarantors shall not exceed 10.0 million at any one time outstanding.

The foregoing limitations will not apply to (collectively, *Permitted Debt*):

(a) the Incurrence by BP I, BP II or any Restricted Subsidiaries of Indebtedness under (i) the Credit Agreement and the issuance and creation of letters of credit and bankers acceptances thereunder (with letters of credit and bankers acceptances being deemed to have a principal amount equal to the face amount thereof) in an aggregate principal amount not to exceed (A) $1,035.0 million of term loan facilities, plus (B) 250.0 million of term loan facilities, plus (C) $120.0 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities, plus (D) 80.0 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities and (ii) Local Facility Agreements in an aggregate principal amount not to exceed 40.0 million;

(b) the Incurrence by the Issuers and the Note Guarantors of Indebtedness represented by the Notes (not including any Additional Notes) and the Note Guarantees;

(c) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b));

(d) Indebtedness (including Capitalized Lease Obligations) Incurred by BP I, BP II or any Restricted Subsidiaries, Disqualified Stock issued by BP I, BP II or any Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) and Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that serves to refund, refinance or defease any of the foregoing; provided that the aggregate amount of all Indebtedness outstanding pursuant to this clause (d) shall not at any time exceed the greater of 50.0 million and 2.0% of Total Assets;

(e) Indebtedness Incurred by BP I, BP II or any Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers compensation claims;

(f) Indebtedness arising from agreements of BP I, BP II or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of BP I or BP II in accordance with the terms of the Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of BP I or BP II to a Restricted Subsidiary; provided, that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the obligations of the Issuers under the Notes or the obligations of BP I under its Note Guarantee, as applicable; provided further, however, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or a Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (g);

(h) shares of Preferred Stock of a Restricted Subsidiary issued to BP I, BP II or a Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to BP I, BP II or a Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (h);

(i) Indebtedness of a Restricted Subsidiary to BP I, BP II or another Restricted Subsidiary; provided that except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, if a Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor, such Indebtedness shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the Note Guarantee of such Note Guarantor; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (i);

(j) Hedging Obligations that are Incurred not for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(k) obligations in respect of performance, bid, appeal and surety bonds and completion guarantees provided by BP I, BP II or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(l) (i) any guarantee by BP I, BP II or a Restricted Subsidiary of Indebtedness or other obligations of BP I, BP II or any Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by BP I, BP II or such Restricted Subsidiary was not in violation of the terms of the Indenture or (ii) Indebtedness of BP I, BP II or any Restricted Subsidiary arising by reason of any Lien permitted to be granted or to subsist pursuant to Certain Covenants Limitation on Liens and so long as the Indebtedness secured by such Lien was not incurred in violation of the Indenture;

(m) the Incurrence by BP I, BP II or a Restricted Subsidiary of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary, in either case, that serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant or clauses (b), (c), (m) and (n) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premium), defeasance costs and fees in connection therewith (subject to the following proviso, *Refinancing Indebtedness*) prior to its respective maturity; provided, however, that such Refinancing Indebtedness will be Refinancing Indebtedness if and to the extent it:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would

result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date one year following the last maturity date of any Notes then outstanding were instead due on such date one year following the last date of maturity of the Notes (provided that any Refinancing Indebtedness Incurred in reliance on this subclause (1)(y) does not provide for any scheduled principal payments prior to the maturity date of the Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced or defeased);

(2) has a Stated Maturity that is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded, refinanced or defeased or (y) 91 days following the maturity date of the Notes;

(3) refinances (a) Indebtedness junior to the Notes or any Note Guarantee, such Refinancing Indebtedness is junior to the Notes or the Note Guarantee of such Note Guarantor, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(4) does not include (x) Indebtedness of BP I, BP II or a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Note Guarantor, or (y) Indebtedness of BP I, BP II or a Restricted Subsidiary that refinances, refunds or defeases Indebtedness of an Unrestricted Subsidiary;

(n) Indebtedness, Disqualified Stock or Preferred Stock of (x) BP I, BP II or a Restricted Subsidiary Incurred to finance an acquisition, merger, consolidation or amalgamation or (y) Persons that constitutes Acquired Indebtedness; provided, however, that after giving effect to such acquisition or merger, consolidation or amalgamation, BP I or BP II would be permitted to Incur at least 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(o) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not with recourse to BP I, BP II or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of its Incurrence;

(q) Indebtedness of BP I, BP II or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(r) Indebtedness representing deferred compensation or other similar arrangements to employees and directors of BP I, BP II or any Restricted Subsidiary Incurred in the ordinary course of business or in connection with the Transactions (including as a result of the cancellation or vesting of outstanding options and other equity-based awards in connection therewith), an acquisition or any other Permitted Investment;

(s) Indebtedness of BP I, BP II or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(t) Indebtedness Incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures of BP I, BP II or any Restricted Subsidiary not in excess, at any one time outstanding, of the greater of 15.0 million and 0.5% of Total Assets at the time of Incurrence;

(u) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (u), does not exceed the greater of 100.0 million and 4.25% of Total Assets at the time of Incurrence (subject to the third paragraph of this covenant, it being understood that any Indebtedness Incurred under this clause (u) shall cease to be deemed Incurred or outstanding for purposes of this clause (u) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which BP I, BP II or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (u));

(v) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder and Refinancing Indebtedness thereof in an aggregate principal amount or liquidation preference not exceeding at any one time outstanding 200.0% of the net cash proceeds received by BP I, BP II and the Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of BP I, BP II or any direct or indirect parent entity of BP I or BP II (which proceeds are contributed to BP I, BP II or a Restricted Subsidiary) or cash contributed to the capital of BP I or BP II (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, BP I, BP II or any of their respective Subsidiaries and other than in connection with the Transactions) as determined in accordance with clauses (2) and (3) of the definition of Cumulative Credit to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of Certain Covenants Limitation on Restricted Payments or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(w) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely BP I, BP II and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into in the ordinary course of business and netting, overdraft protection and other arrangements among BP I, BP II, any Restricted Subsidiary and a bank arising under standard business terms of such bank at which BP I, BP II or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar arrangement;

(x) Indebtedness consisting of Indebtedness issued by BP I, BP II or a Restricted Subsidiary to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of BP I, BP II or any of their direct or indirect parent companies to the extent described in clause (4) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments;

(y) Indebtedness of BP I or any of its Restricted Subsidiaries consisting of obligations (including guarantees thereof) to repurchase equipment sold to customers or third party leasing companies pursuant to the terms of sale of such equipment in the ordinary course of business;

(z) without limiting clause (a) of this paragraph, Indebtedness under local overdraft and other local working capital facilities in an aggregate principal amount not to exceed 85.0 million; and

(aa) Indebtedness in the form of deferred payment obligations under any arrangement permitted by clause (12) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments.

To the extent any Indebtedness is Incurred pursuant to the first paragraph of this covenant or as Permitted Debt and the use of proceeds of such Indebtedness is to refund, refinance, replace or defease the Senior Notes or the Senior Subordinated Notes, then with respect to such Indebtedness so Incurred, (1) the Weighted Average Life to Maturity at the time such Indebtedness is Incurred shall not be less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Senior Notes or Senior Subordinated Notes, as applicable, being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Senior Notes or Senior

Subordinated Notes, as applicable, being refunded or refinanced that were due on or after the date one year following the last maturity date of any Notes then outstanding were instead due on such date one year following the last date of maturity of the Notes (provided that any Indebtedness Incurred in reliance on this subclause (1)(y) does not provide for any scheduled principal payments prior to the maturity date of the Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Senior Notes or Senior Subordinated Notes, as applicable, being refunded, refinanced, replaced or defeased); (2) the Stated Maturity shall not be earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded, refinanced, replaced or defeased or (y) 91 days following the maturity date of the Notes; (3) that refinances (x) the Senior Notes, such Indebtedness Incurred by the Issuers or any Note Guarantor is junior to the Note Guarantee of such Note Guarantor and (y) the Senior Subordinated Notes, such Indebtedness is junior to the Notes or the Note Guarantee of the Issuers or Note Guarantor, as applicable.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (a) through (aa) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuers shall, in their sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant; provided, however, that (x) Indebtedness under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred pursuant to clause (a)(i) of Permitted Debt and the Issuers shall not be permitted to reclassify all or any portion of such Indebtedness under the Credit Agreement outstanding on the Issue Date and (y) the Issuers shall not be permitted to reclassify all or any portion of any Secured Indebtedness Incurred as Permitted Debt unless at the time of such reclassification the Issuers could secure such Secured Indebtedness pursuant to clause (6) of the definition of Permitted Liens ; and

(2) the Issuers will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above, and in that connection shall be entitled to treat a portion of such Indebtedness as having been Incurred under the first paragraph above and thereafter the remainder of such Indebtedness having been Incurred under the second paragraph above.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; provided that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with this covenant, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; provided that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such

Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreements.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that BP I, BP II and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

For all purposes of the Indenture, (1) unsecured Indebtedness will not be treated as subordinated or junior to Secured Indebtedness merely because it is unsecured, (2) Senior Indebtedness will not be treated as subordinated or junior to any other Senior Indebtedness merely because it has junior priority with respect to the same collateral, (3) Indebtedness of such Person which is not guaranteed will not be treated as subordinated or junior to Indebtedness that is guaranteed merely because of such guarantee and (4) Indebtedness under First Lien Obligations will not be deemed to be subordinated because of the application of waterfall or other payment-ordering or collateral-sharing provisions affecting such First Lien Obligations.

Limitation on Restricted Payments. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of BP I s, BP II s or any Restricted Subsidiaries Equity Interests or pay any amounts in respect of Subordinated Shareholder Funding, including any payment made in connection with any merger, amalgamation or consolidation involving BP I or BP II (other than (A) dividends or distributions by BP I or BP II payable solely in Equity Interests (other than Disqualified Stock) of BP I or BP II or in Subordinated Shareholder Funding of BP I or BP II; (B) dividends or distributions payable to BP I, BP II or a Restricted Subsidiary or (C) in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, such dividends or distributions paid to minority shareholders, provided that BP I, BP II or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities (except to the extent non pro rata payments of such dividends or distributions are required by law or under the terms of any agreement in effect on the Issue Date));

(2) purchase or otherwise acquire or retire for value any Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II, in each case held by Persons other than BP I, BP II or a Restricted Subsidiary;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Shareholder Funding, any Subordinated Indebtedness of BP I, BP II or any Note Guarantor, the Senior Notes or Senior Subordinated Notes (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness (other than the Senior Notes or Senior Subordinated Notes) in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) any Subordinated Indebtedness between any of BP I, BP II and any Restricted Subsidiary or between any of the Restricted Subsidiaries); or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as *Restricted Payments*), unless, at the time of such Restricted Payment:

(a) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, BP I or BP II could Incur 1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by BP I, BP II and the Restricted Subsidiaries after the Issue Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (1), (4) (only to the extent of one-half of the amounts paid pursuant to such clause), (6) and (8) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the amount equal to the Cumulative Credit; and

(d) if such Restricted Payment is for the redemption, repurchase, retirement or other acquisition of any Senior Notes or Senior Subordinated Notes funded or otherwise made with, directly or indirectly, the proceeds of, or in exchange for, any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued pursuant to the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, the Senior Secured First Lien Leverage Ratio of BP I and BP II on a combined consolidated basis after giving effect to such Restricted Payment and any Indebtedness Incurred in connection therewith would be no greater than 2.50 to 1.00.

Cumulative Credit means the sum of (without duplication):

(1) 50% of the Consolidated Net Profit of BP I and BP II for the period (taken as one accounting period, the Reference Period) from the beginning of the fiscal quarter during which the Issue Date occurred to the end of the most recently ended fiscal quarter for which combined internal financial statements of the BP I and BP II are available at the time of such Restricted Payment (or, in the case such Consolidated Net Profit for such period is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value of property other than cash received by BP I or BP II after the Issue Date (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock) from the issue or sale of Equity Interests of BP I or BP II or Subordinated Shareholder Funding to BP I or BP II (excluding Refunding Capital Stock (as defined below), Designated Preferred Stock, Excluded Contributions, and Disqualified Stock and other than in connection with the Transactions), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary); plus

(3) 100% of the aggregate amount of contributions to the capital of BP I or BP II received in cash and the Fair Market Value of property other than cash received after the Issue Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, and Disqualified Stock and other than contributions (x) to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock or (y) made in connection with the Transactions); plus

(4) the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of BP I, BP II or any Restricted Subsidiary thereof issued after the Issue Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in or Subordinated Shareholder Funding of BP I or BP II (other than Disqualified Stock) or any direct or indirect parent of BP I or BP II (provided in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished); plus

(5) 100% of the aggregate amount received after the Issue Date by BP I, BP II or any Restricted Subsidiary in cash and the Fair Market Value of property other than cash received by BP I, BP II or any Restricted Subsidiary:

(A) from the sale or other disposition (other than to BP I, BP II or a Restricted Subsidiary and other than in connection with the Transactions) of Restricted Investments made after the Reference Date by BP I, BP II or the Restricted Subsidiaries and from repurchases and redemptions after the Issue Date of such Restricted Investments from BP I, BP II or the Restricted Subsidiaries by any Person (other than BP I, BP II or any Restricted Subsidiaries) and from repayments of loans or advances and releases of guarantees, which constituted Restricted Investments made after the Issue Date (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the succeeding paragraph),

(B) from the sale (other than to BP I, BP II or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary, or

(C) from a distribution or dividend from an Unrestricted Subsidiary; plus

(6) in the event any Unrestricted Subsidiary of BP I or BP II has been redesignated as a Restricted Subsidiary after the Issue Date or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, BP I, BP II or a Restricted Subsidiary after the Issue Date, the Fair Market Value (and, if such Fair Market Value exceeds 20.0 million, such Fair Market Value shall be set forth in a written resolution of a majority of the Board of Directors of BP I) of the Investment of BP I or BP II in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after taking into account any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the next succeeding paragraph or constituted a Permitted Investment).

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests (Retired Capital Stock) or Subordinated Indebtedness or Subordinated Shareholder Funding of BP I, BP II, any direct or indirect parent of BP I, BP II or any Restricted Subsidiary in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests or Subordinated Shareholder Funding of BP I, BP II or any direct or indirect parent of BP I or BP II or contributions to the equity capital of BP I or BP II (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of BP I or BP II) (collectively, including any such contributions, Refunding Capital Stock), and

(b) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of BP I or BP II) of Refunding Capital Stock;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness of BP I, BP II or any Note Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of BP I, BP II or a Note Guarantor which is Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, and any defeasance costs, fees and expenses Incurred in connection therewith);

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(b) such Indebtedness is subordinated to the Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value;

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired or (y) 91 days following the maturity date of the Notes; and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date one year following the last maturity date of any Notes then outstanding were instead due on such date one year following the last date of maturity of the Notes (provided that in the case of this subclause (d)(y), such Indebtedness does not provide for any scheduled principal payments prior to the maturity date of the Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced or defeased);

(4) a Restricted Payment to pay for the purchase, repurchase, retirement, defeasance, redemption or other acquisition for value of Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II held by any future, present or former employee, director or consultant of BP I, BP II or any direct or indirect parent of BP I or BP II or any Subsidiary of BP I or BP II pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; provided, however, that the aggregate Restricted Payments made under this clause (4) do not exceed 2.5 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment (without giving effect to the following proviso) of 5.0 million in any calendar year); provided, further, however, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by BP I, BP II or any Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of BP I, BP II or any direct or indirect parent of BP I or BP II (to the extent contributed to BP I or BP II) to members of management, directors or consultants of BP I, BP II and the Restricted Subsidiaries or any direct or indirect parent of BP I or BP II that occurs after the Reference Date (provided that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (2) of the first paragraph under Certain Covenants Limitation on Restricted Payments); plus

(b) the cash proceeds of key man life insurance policies received by BP I, BP II or any direct or indirect parent of BP I or BP II (to the extent contributed to BP I or BP II) or the Restricted Subsidiaries after the Reference Date;

provided that the Issuers may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of BP I, BP II or any Restricted Subsidiaries issued or Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date, (b) a Restricted Payment to any direct or indirect parent of BP I or BP II, the proceeds of which will be used to fund the payment of dividends to holders of

any class or series of Designated Preferred Stock (other

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than Disqualified Stock) of any direct or indirect parent of BP I or BP II issued after the Reference Date and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; provided, however, that, (x) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, BP I and BP II would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 on a combined basis and (y) the aggregate amount of dividends declared and paid pursuant to (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by BP I and BP II from any such sale or issuance of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date or contributed by Subordinated Shareholder Funding to BP I or BP II after the Reference Date;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed the greater of 25.0 million and 1.0% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) the payment of dividends on BP I s or BP II s ordinary shares (or a Restricted Payment to any direct or indirect parent of BP I or BP II to fund the payment by such direct or indirect parent of BP I or BP II of dividends on such entity s ordinary shares) of up to 6% per annum of the net proceeds received by BP I or BP II from any public offering of ordinary shares of BP I or BP II or any of their direct or indirect parents;

(9) Restricted Payments that are made with Excluded Contributions;

(10) other Restricted Payments in an aggregate amount not to exceed 50.0 million at the time made;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to BP I, BP II or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(12) Restricted Payments (a) to any direct or indirect parent of BP I or BP II in amounts required for such parent to pay national, state or local income taxes (as the case may be) imposed directly on such parent to the extent such income taxes are attributable to the income of BP I, BP II and the Restricted Subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which BP I, BP II or the Restricted Subsidiaries are members) or (b) to RGHL or any of its Affiliates relating to the transfer or surrender, in each case on arm s length terms, of any tax losses or other tax assets that can be used by BP I, BP II or a Restricted Subsidiary;

(13) the payment of dividends, other distributions or other amounts or the making of loans or advances or any other Restricted Payment, if applicable:

(a) in amounts required for any direct or indirect parent of BP I or BP II, if applicable, to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers, directors and employees of any direct or indirect parent of BP I or BP II, if applicable, and general corporate operating and overhead expenses (including without limitation compliance and reporting expenses) of any direct or indirect parent of BP I or BP II, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of BP I or BP II, if applicable, and their respective Subsidiaries; provided, that for so long as such direct or indirect parent owns no material assets other than Equity Interests in BP I or BP II or any direct or indirect parent of BP I or BP II, such fees and expenses shall be deemed for purposes of this clause 13(a) to be attributable to such ownership or operation;

(b) in amounts required for any direct or indirect parent of BP I or BP II, if applicable, to pay interest and principal on Indebtedness the proceeds of which have been contributed to BP I, BP II or any Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, BP I or BP II Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; and

(c) in amounts required for any direct or indirect parent of BP I or BP II to pay fees and expenses, other than to Affiliates of BP I or BP II, related to any unsuccessful equity or debt offering of such parent.

(14) Restricted Payments used to fund the Transactions, the Post-Closing Reorganization and the payment of fees and expenses incurred in connection with the Transactions and the Post-Closing Reorganization (including as a result of the cancellation or vesting of outstanding options and other equity-based awards in connection therewith) as described in the Offering Circular (including payments made pursuant to the Acquisition Documents or the Reynolds Acquisition Documents, whether payable on the Issue Date or thereafter) or owed by BP I or BP II or any direct or indirect parent of BP I or BP II, as the case may be, or any Restricted Subsidiary to Affiliates for services rendered or goods sold, in each case to the extent permitted by the covenant described under Transactions with Affiliates;

(15) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(16) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(17) payments of cash, or dividends, distributions, advances or other Restricted Payments by BP I, BP II or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(18) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness constituting Acquired Indebtedness or any other Subordinated Indebtedness pursuant to the provisions similar to those described under the captions Change of Control and Certain Covenants Asset Sales, provided that all Notes tendere by holders of the Notes in connection with a Change of Control or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value in accordance with the terms of the Indenture;

(19) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with a consolidation, amalgamation, merger or transfer of all or Substantially All of the assets of BP I, BP II and the Restricted Subsidiaries, taken as a whole, that complies with the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets; provided that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuers shall have made a Change of Control Offer (if required by the Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(20) Restricted Payments in an amount not to exceed an aggregate of 25.0 million made with the proceeds of the sale of Non-Strategic Land in accordance with the covenant described under Certain Covenants Asset Sales; and

(21) Restricted Payments in an aggregate amount not to exceed 100.0 million for the redemption, repurchase, retirement or other acquisition of any Senior Notes or Senior Subordinated Notes;

provided, however, that at the time of, and after giving effect to, (A) any Restricted Payment permitted under clauses (10), (11), (20) and (21), no Default shall have occurred and be continuing or would occur as a consequence thereof and (B) any Restricted Payment (other than pursuant to clause (21)) for the redemption, repurchase, retirement or other acquisition of any Senior Notes or Senior Subordinated Notes funded or

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otherwise made with, directly or indirectly, the proceeds of, or in exchange for, any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued pursuant to the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, the Senior Secured First Lien Leverage Ratio of BP I and BP II on a combined consolidated basis after giving effect to such Restricted Payment and any Indebtedness Incurred in connection therewith would be no greater than 2.50 to 1.00.

BP II does not have any Subsidiaries and all of BP I s Subsidiaries, including the Issuers, are Restricted Subsidiaries. BP I and BP II will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by BP I, BP II and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of Investments. Such designation will only be permitted if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Dividend and Other Payment Restrictions Affecting Subsidiaries. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to BP I, BP II or any Restricted Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to BP I, BP II or any Restricted Subsidiaries;

(b) make loans or advances to BP I, BP II or any Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to BP I, BP II or any Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Secured Credit Facilities, Local Facilities, local overdraft and other local working capital facilities, the Senior Notes Indenture, the Senior Subordinated Notes Indenture, the Existing Intercreditor Agreement and the Existing Notes Security Documents;

(2) the Indenture, the Notes (and guarantees thereof), the Security Documents, the First Lien Intercreditor Agreement, any Currency Agreement, any agreement or instrument creating a Hedging Obligation and any Additional Intercreditor Agreements;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by BP I, BP II or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) any Restricted Investment not prohibited by the covenant described under Certain Covenants Limitation on Restricted Payments and any Permitted Investment;

(7) restrictions on cash or other deposits or net worth imposed by regulatory authorities (including with respect to tax obligations and value-added taxes), in connection with deductions made for tax,

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pension, national insurance and other similar purposes or for the benefit of customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements, similar agreements relating solely to such joint venture and other similar agreements entered into in the ordinary course of business;

(9) Capitalized Lease Obligations and purchase money obligations for property acquired in the ordinary course of business;

(10) customary provisions contained in leases (other than financing or similar leases), licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; provided, however, that such restrictions apply only to such Receivables Subsidiary;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date by the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Secured Credit Facilities as of the Issue Date (as determined in good faith by the Issuers) or (ii) if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuers) and either (x) the Issuers determine that such encumbrance or restriction will not materially affect the Issuers ability to make principal or interest payments on the Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) any encumbrances or restrictions of the type referred to in clause (c) above existing by reason of any Lien permitted under the covenant described under Certain Covenants Liens;

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuers, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing; and

(15) restrictions on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on ordinary shares shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of (or remedy bars in respect of) loans or advances made to BP I, BP II or a Restricted Subsidiary to other Indebtedness Incurred by BP I, BP II or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Asset Sales. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) BP I, BP II or any Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by BP I, BP II or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; provided that for purposes of clause (y) the amount of:

(a) any liabilities (as shown on BP I s, BP II s or such Restricted Subsidiary s most recent balance sheet or in the notes thereto) of BP I, BP II or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets,

(b) any notes or other obligations or other securities or assets received by BP I, BP II or such Restricted Subsidiary from such transferee that are converted by BP I, BP II or such Restricted Subsidiary into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by BP I, BP II or any Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 30.0 million and 1.25% of Total Assets at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 12 months after BP I, BP II or any Restricted Subsidiary s receipt of the Net Proceeds of any Asset Sale, BP I, BP II or such Restricted Subsidiary may apply the Net Proceeds from such Asset Sale, at its option:

(1) to repay (a) Obligations constituting First Lien Obligations (and, if such Indebtedness repaid is under a revolving credit facility, to correspondingly reduce commitments with respect thereto); provided, however, that if any First Lien Obligations other than the Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Notes through open-market purchases (provided that such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, the pro rata principal amount of Notes or (b) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Note Guarantor, in the case of each of clauses (a) and (b), other than Indebtedness owed to RGHL or its Affiliates;

(2) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of BP I if it is not already a Restricted Subsidiary of BP I), assets, or property or capital expenditures (including refurbishments), in each case used or useful in a Similar Business; or

(3) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of BP I), properties or assets that replace the properties and assets that are the subject of such Asset Sale.

In the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; provided that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, BP I, BP II or such Restricted Subsidiary enters into another binding commitment (a Second Commitment) within nine months of such cancellation or termination of the prior binding commitment; provided, further that BP I, BP II or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale.

Pending the final application of any such Net Proceeds, BP I, BP II or such Restricted Subsidiary may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture. The Holders may not have control of, or a perfected security interest in, Net Proceeds of any Collateral diminishing the value of, and ability to collect with respect to, that

Collateral. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the immediately two preceding paragraphs (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds 20.0 million, the Issuers shall make an offer to all holders of Notes (and, at the option of the Issuers, to holders of any First Lien Obligations of an Issuer or Note Guarantor or any other Indebtedness of a Restricted Subsidiary of BP I that is not an Obligor) (an Asset Sale Offer) to purchase on a pro rata basis the maximum principal amount of Dollar Notes (and such First Lien Obligations and other Indebtedness), that is at least $100,000 and an integral multiple of $1,000 and Euro Notes (and such First Lien Obligations and other Indebtedness), that is at least 50,000 and an integral multiple of 1,000 that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such First Lien Obligations or other Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest and additional interest, if any (or, in respect of such First Lien Obligations or other Indebtedness, such lesser price, if any, as may be provided for by the terms of such First Lien Obligations or other Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture. Any purchase of Dollar Notes and Euro Notes pursuant to any Asset Sale Offer or otherwise pursuant to this covenant will be made on a pro rata basis (subject to applicable Euroclear, Clearstream or DTC procedures, as applicable), based on the relative principal amount of each series of Notes. The Issuers will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceed 20.0 million by mailing (or otherwise delivering in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Notes (and such First Lien Obligations or other Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, BP I, BP II or such Restricted Subsidiary may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes (and such First Lien Obligations or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero. An Asset Sale Offer need not be made by the Issuers until the date that is 12 months after the date on which an Asset Sale is made, the proceeds of which, in aggregate with all funds not applied in accordance with this covenant or the subject of an Asset Sale Offer, exceed 20.0 million.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

If more Notes (and such First Lien Obligations or other Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuers are required to purchase, selection of such Notes for purchase will be made by the Trustee on a pro rata basis, to the extent practicable and in compliance with the requirements of Euroclear, Clearstream or DTC, as applicable, and any stock exchange on which the Notes are then admitted to trading; provided that no Dollar Notes of $100,000 or less shall be purchased in part and no Euro Notes of 50,000 or less shall be purchased in part. Selection of such First Lien Obligations or other Indebtedness will be made pursuant to the terms of such First Lien Obligations or other Indebtedness.

An Asset Sale Offer insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the Offer Period). No later than five Business Days after the termination of the applicable Offer Period the Issuers will purchase the principal amount of the Notes (and purchase or repay any relevant First Lien Obligations or other Indebtedness required to be so purchased or repaid as set out above) validly tendered.

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To the extent that any portion of the Net Proceeds payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated as is actually received by BP I, BP II or such Restricted Subsidiary upon converting the relevant portion of the Net Proceeds into such currency.

Notices of an Asset Sale Offer shall be mailed by first-class mail, postage prepaid (or otherwise delivered in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) at least 30 but not more than 60 days before the purchase date to each holder of Notes at such holder s registered address. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Indenture relating to the Issuers obligation to make an Asset Sale Offer may be waived or modified with the consent of a majority in principal amount of the Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Notes, the Issuers could seek the consent of their lenders to purchase the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such a consent or repay such borrowings, the Issuers will remain prohibited from purchasing Notes. In such case, the Issuers failure to purchase tendered Notes would constitute an Event of Default under the Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuers (each of the foregoing, an Affiliate Transaction) involving aggregate consideration in excess of 10.0 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to BP I, BP II or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by BP I, BP II or such Restricted Subsidiary with an unrelated Person; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of 20.0 million, BP I or BP II delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of BP I or BP II, approving such Affiliate Transaction and set forth in an Officers Certificate certifying that such Affiliate Transaction complies with clause (a) above.

An Affiliate Transaction shall be deemed to have satisfied the approval requirements set forth in the preceding paragraph if (i) such Affiliate Transaction is approved by a majority of the Disinterested Directors or (ii) in the event there are no Disinterested Directors, a fairness opinion is provided by an Independent Financial Advisor with respect to such Affiliate Transaction.

The foregoing provisions will not apply to the following:

(1) transactions between or among BP I, BP II or any Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries or any Receivables Subsidiary and any merger, consolidation or amalgamation of BP I, BP II and any direct parent of BP I or BP II; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of BP I and BP II and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the covenant Certain Covenants Limitation on Restricted Payments and Permitted Investments;

(3) the entering into of any agreement (and any amendment or modification of any such agreement) to pay, and the payment of, annual management, consulting, monitoring and advisory fees to Rank in an aggregate amount in any fiscal year not to exceed the greater of 3.0 million and 1.5% of EBITDA of BP I, BP II and the Restricted Subsidiaries for the immediately preceding fiscal year, *plus* out-of-pocket expense reimbursement;

(4) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of BP I, BP II or any Restricted Subsidiary or any direct or indirect parent of BP I or BP II;

(5) payments by BP I, BP II or any Restricted Subsidiaries to Rank made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with the Transactions, acquisitions or divestitures, which payments are (x) made pursuant to the agreements with Rank described in the Offering Circular under the caption Shareholders and Related Party Transactions or (y) approved by a majority of the Board of Directors of BP I or BP II in good faith;

(6) transactions in which BP I, BP II or any Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to BP I, BP II or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(7) payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of BP I or BP II in good faith;

(8) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by senior management or the Board of Directors of BP I or BP II;

(9) the existence of, or the performance by BP I, BP II or any Restricted Subsidiaries of its obligations under the terms of, the Acquisition Documents, the Reynolds Acquisition Documents, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement, any Additional Intercreditor Agreement, any shareholders agreement, (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date or any other agreement or arrangement in existence on the Issue Date or described in the Offering Circular and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; provided, however, that the existence of, or the performance by BP I, BP II or any Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(10) the execution of the Transactions, the Post-Closing Reorganization and the payment of all fees and expenses, bonuses and awards related to the Transactions, including fees to Rank, that are described in the Offering Circular or contemplated by the Acquisition Documents, the Reynolds Acquisition Documents or by any of the other documents related to the Transactions;

(11) (a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which are fair to BP I, BP II and the Restricted Subsidiaries

in the reasonable determination of the Board of Directors or the senior management of BP I or BP II, or are on terms at least as favorable as might reasonably

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have been obtained at such time from an unaffiliated party or (b) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(12) any transaction effected as part of a Qualified Receivables Financing or a Financing Disposition;

(13) the issuance of Equity Interests (other than Disqualified Stock) of BP I or BP II or Subordinated Shareholder Funding to any Person;

(14) the issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding or entering into of employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of BP I or BP II or any direct or indirect parent of BP I or BP II or of a Restricted Subsidiary of BP I or BP II, as appropriate;

(15) the entering into and performance of any tax sharing agreement or arrangement and any payments permitted by clause (12) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments;

(16) any contribution to the capital of BP I or BP II;

(17) transactions permitted by, and complying with, the provisions of the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets;

(18) transactions between BP I, BP II or any Restricted Subsidiaries and any Person, a director of which is also a director of BP I, BP II or any direct or indirect parent of BP I or BP II; provided, however, that such director abstains from voting as a director of BP I, BP II or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) the formation and maintenance of any consolidated or combined group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(21) any employment agreements entered into by BP I, BP II or any Restricted Subsidiaries in the ordinary course of business; and

(22) intercompany transactions undertaken in good faith (as certified by a responsible financial or accounting officer of BP I or BP II in an Officers Certificate) for the purpose of improving the consolidated tax efficiency of BP I, BP II and their respective Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture.

Liens. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien on any asset or property of BP I, BP II or such Restricted Subsidiary (including Capital Stock or Indebtedness of a Restricted Subsidiary), whether owned on the Issue Date or acquired thereafter, or any interest therein or any income, profits or proceeds therefrom securing any Indebtedness, except Permitted Liens.

In addition, the Indenture provides that at any time the First Lien Obligations consist solely of the Notes and other Public Debt that contains limitations similar to those set forth under Security Limitations on Stock Collateral, BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien on any Excluded Stock Collateral, except for any Lien in favor of the Notes and any other First Lien

Obligations consisting of Public Debt with substantially similar limitations as those set forth under Security Limitations on Stock Collateral.

Reports and Other Information. Notwithstanding that RGHL or the Issuers may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, RGHL (and the Issuers) will file with the SEC (and provide the Trustee and holders of the Notes with copies thereof, without cost to each holder, within 15 days after it files them with the SEC),

(1) within the time period specified in the SEC s rules and regulations, annual reports on Form 20-F (or any successor or comparable form applicable to RGHL or the Issuers within the time period for non-accelerated filers to the extent such term is applicable to such form) containing the information required to be contained therein (or required in such successor or comparable form), provided, however, that, prior to the filing of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, such report shall not be required to contain any certification required by any such form or by law,

(2) within 60 days after the end of each fiscal quarter other than the fourth fiscal quarter of any year, the information that would be required by a report on Form 10-Q (or any successor or comparable form applicable to RGHL or the Issuers) (which information, if RGHL and the Issuers are not required to file reports on Form 10-Q, will be filed on Form 6-K (or any successor or comparable form applicable to RGHL or the Issuers)), provided, however, that prior to the filing of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, such report shall not be required to contain any certification required by any such form or by law, and

(3) promptly from time to time after the occurrence of an event required to be reported on Form 8-K (or any successor or comparable form applicable to RGHL or the Issuers), the information that would be required by a Form 8-K (or any successor or comparable form applicable to RGHL or the Issuers) (which information, if RGHL and the Issuers are not required to file reports on Form 8-K will be filed on Form 6-K (or any successor or comparable form applicable to RGHL or the Issuers));

provided, however, that RGHL (and the Issuers) shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event RGHL (or the Issuers) will post the reports specified in the first sentence of this paragraph on its website within the time periods that would apply if RGHL were required to file those reports with the SEC. In addition, RGHL will make available such information to prospective purchasers of Notes, in addition to providing such information to the Trustee and the holders of the Notes, in each case within 15 days after the time RGHL would be required to file such information with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act. Notwithstanding the foregoing, RGHL and the Issuers may satisfy the foregoing reporting requirements (i) prior to the filing with the SEC of the Exchange Offer Registration Statement, or if the Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Registration Rights Agreement, the Shelf Registration Statement, by providing the Trustee and the secured noteholders with (x) substantially the same information as would be required to be filed with the SEC by RGHL and the Issuers on Form 20-F (or any successor or comparable form applicable to RGHL or the Issuers) if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within 90 days after the end of the applicable fiscal year and (y) substantially the same information as would be required to be filed with the SEC by RGHL and the Issuers on Form 10-Q (or any successor or comparable form applicable to RGHL or the Issuers) if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within 60 days after the end of the applicable fiscal quarter and (ii) after filing with the SEC the Exchange Offer Registration Statement, or if the Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Registration Rights Agreement, the Shelf Registration Statement, but prior to the effectiveness of the Exchange Offer Registration Statement or Shelf Registration Statement, by publicly filing with the SEC the Exchange Offer Registration Statement or Shelf Registration Statement, to the extent any such registration statement contains substantially the same information as would be required to be filed by RGHL and the Issuers if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustee and the secured noteholders with such registration statement (and amendments thereto) promptly following the filing with the SEC thereof.

Notwithstanding the foregoing, the annual reports, information, documents and other reports filed with the SEC will include all of the information, with respect to the financial condition and results of operations of BP I and BP II on a combined basis separate from the financial condition and results of operations from RGHL on a consolidated basis, that RGHL, BP I and BP II are required to include in information, documents and other reports made available pursuant to the Senior Note Indenture or the Senior Subordinated Note Indenture (such information, the Required Financial Information). If RGHL s, BP I s or BP II s obligations

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to provide the Required Financial Information shall cease to be in full force and effect, RGHL, BP I and BP II shall make available to the Trustee and the secured noteholders information substantially equivalent to the Required Financial Information as if their obligations to provide such information under the Senior Note Indenture and Senior Subordinated Note Indenture remained in full force and effect.

Notwithstanding the foregoing, RGHL will be deemed to have furnished such reports referred to above to the Trustee and the holders of the Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Indenture also provides that, so long as any of the Notes remain outstanding and during any period during which BP I or the Issuers are not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g 3-2(b) of the Exchange Act, each Issuer will make available to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Note Guarantors. The Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Note Guarantor or a Receivables Subsidiary) that guarantees, assumes or in any other manner becomes liable with respect to (a) any Indebtedness under any Credit Agreement or (b) any Public Debt (including any proceeds loans or other intercompany loans in respect thereof) of BP I, BP II, an Issuer or any Note Guarantor, in each case, will execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the Notes; *provided* that notwithstanding the foregoing:

(a) no Note Guarantee shall be required as a result of any Indebtedness or guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the Indebtedness or guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(b) no such Note Guarantee need be secured unless required pursuant to the Future Collateral covenant;

(c) if such Indebtedness is by its terms expressly subordinated to the Notes or any Note Guarantee, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary s Note Guarantee of the Notes at least to the same extent as such Indebtedness is subordinated to the Notes or any other senior guarantee;

(d) no Note Guarantee shall be required as a result of any guarantee given to a bank or trust company incorporated in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the US Federal Reserve System (or any branch, Subsidiary or Affiliate thereof), in each case having combined capital and surplus and undivided profits of not less than 500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody s, in connection with the operation of cash management programs established for BP I s and BP II s benefit or that of any Restricted Subsidiary;

(e) no Note Guarantee shall be required if such Note Guarantee would not be required pursuant to the applicable provisions of the Agreed Security Principles;

(f) no Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary; and

(g) each such Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The Note Guarantees shall be released in accordance with the provisions of the Indenture described under Note Guarantees.

Bank of Thailand Approval. The Indenture provides that, within 60 days from the date any Subsidiary incorporated or otherwise organized in Thailand (a *Thai Guarantor*) becomes a Note Guarantor, the relevant Thai Guarantor shall apply to the Bank of Thailand for in principle approval for the remittance of any foreign currency sum from Thailand to the Holders and the Trustee pursuant to such Thai Guarantor s obligation of payment under the Note Guarantee. The relevant Thai Guarantor shall provide evidence that such application has been submitted to the Bank of Thailand seeking its in principle approval for such remittance, and such Thai Guarantor must use commercially reasonable efforts to obtain such Bank of Thailand approval. In respect of any in-principle approval of the Bank of Thailand granted to any Thai Guarantor, the relevant Thai Guarantor agrees to: (i) when it is required to remit the foreign currency sum pursuant to its obligation of payment under the Note Guarantee, comply with the Bank of Thailand s requirements set out in such in-principle approval for obtaining the final approval of the Bank of Thailand for the remittance of such sum (to the full amount of its guarantee obligations), within the time limits specified by the Bank of Thailand (if any); (ii) if such in-principle approval has an expiry date, apply for the renewal or extension of such approval prior to the expiry date of such approval, so long as any of the obligations under the applicable Note Guarantee are outstanding; and (iii) comply with the conditions set out in the final approval (if any) to allow such Thai Guarantor to remit the approved foreign currency sum (to the fullest extent) for the payment under the Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Indenture to the contrary, neither of the US Issuers, directly or indirectly, will own or acquire any Equity Interests in a US Controlled Foreign Subsidiary.

Limitation on Ownership of Foreign Subsidiaries. No Foreign Subsidiary of RGHL shall also be a Subsidiary of a Domestic Subsidiary of RGHL unless such Domestic Subsidiary is a disregarded entity for US tax purposes; provided, however, that such limitation shall not apply to (x) any Foreign Subsidiary of RGHL that is a Subsidiary of SIG Combibloc Inc., Closure Systems International Inc., Closure Systems Mexico Holdings LLC or CSI Mexico LLC as of the Issue Date, (y) any Foreign Subsidiary of a Domestic Subsidiary at the time such Domestic Subsidiary becomes a Subsidiary of RGHL (provided, however, that such Foreign Subsidiary did not become a Subsidiary of such Domestic Subsidiary in connection with, or in contemplation of, such Domestic Subsidiary becoming a Subsidiary of RGHL) or (z) any Foreign Subsidiary that is not a US Controlled Foreign Subsidiary.

Designation of Notes. BP II has designated the Notes and the Note Guarantees as Designated Senior Indebtedness and the Indenture as included in the definition of Credit Agreement for all purposes of the Senior Note Indenture, the Senior Subordinated Notes Indenture and the Existing Intercreditor Agreement. Each Issuer at all times will have the same fiscal year as BP I and BP II and RGHL.

Limitations on Amendment of Existing Notes. Except with the consent of the Holders of a majority in outstanding aggregate principal amount of the Notes, BP II and the Obligors will not amend the Senior Note Indenture, the Senior Subordinated Note Indenture, the notes and guarantees in respect of the foregoing or the Existing Intercreditor Agreement if such amendment would result in any of the following:

(a) the principal obligor in respect of the Senior Notes and Senior Subordinated Notes not being either RGHL or BP II;

(b) (x) except as may be otherwise permitted under the Indenture under Certain Covenants Future Note Guarantors, any Restricted Subsidiary other than a Note Guarantor or an Issuer guaranteeing the Senior Notes or Senior Subordinated Notes or (y) such guarantees not being subordinated to the Notes and Note Guarantees pursuant to the Existing Intercreditor Agreement;

(c) (x) the maturity date of the Senior Notes and Senior Subordinated Notes being earlier than December 15, 2016 and June 15, 2017, respectively, or (y) there being any scheduled amortization of the Senior Notes or the Senior

Subordinated Notes prior to such respective dates;

(d) the interest (excluding default interest) or other current return (including any implied return from issue discount or fees paid to the creditor) on the Senior Notes or Senior Subordinated Notes exceeding (i) if a fixed rate, 12.5% per annum (including implied return from issue discount or fees paid to the creditor) or (ii) if a floating rate, 12.5% per annum (calculated as the aggregate of the maximum margin percentage per annum plus the relevant base rate at the time of issuance plus any implied return from issue discount or fees paid to the creditor), as the case may be; or

(e) the terms of the Senior Notes or Senior Subordinated Notes relating to subordination being materially less favorable overall to the Holders.

Impairment of Security Interest. Subject to the following paragraph, BP I shall not, and shall not permit any Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission might reasonably or would (in the good faith determination of the Issuers), have the result of materially impairing the value of the security interests taken as a whole (including the lien priority with respect thereto) with respect to the Collateral for the benefit of the Trustee and the Holders of the Notes (including materially impairing the lien priority of the Notes with respect thereto) (it being understood that any release described under Security Release of Collateral and the incurrence of Permitted Liens shall not be deemed to so materially impair the security interests with respect to the Collateral), provided that BP I, BP II and the Restricted Subsidiaries may Incur Permitted Liens and Liens otherwise permitted pursuant to Certain Covenants Liens.

The Indenture provides that, at the direction of the Issuers and without the consent of the Holders, the Trustee (or its agent or designee) shall from time to time enter into one or more amendments, extensions, renewals, restatements, supplements or other modifications or replacements to or of the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Liens or Liens otherwise permitted under Certain Covenants Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; provided, however, that, in the case of clauses (ii) and (iii), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, in each case in any material respect, or replaced, unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification or renewal, the Issuers deliver to the Trustee, either:

(a) a solvency opinion, in form and substance satisfactory to the Trustee, from an Independent Financial Advisor satisfactory to the Trustee confirming the solvency of BP I, BP II and their respective Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement; or

(b) an Opinion of Counsel, in form and substance satisfactory to the Trustee confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced remain valid and, to the extent applicable in the jurisdiction and required under the Agreed Security Principles, perfected, Liens.

Future Collateral. Subject to the Agreed Security Principles, as promptly as reasonably practicable after the acquisition by the Issuers or any Note Guarantor of any After-Acquired Collateral, the Issuers or such Note Guarantor shall execute and deliver such mortgages, deeds of trust, security instruments, financing statements and certificates and opinions of counsel as shall be reasonably necessary to vest in the Trustee a valid and, to the extent applicable in the applicable jurisdiction and required under the Agreed Security Principles, perfected, security interest, subject only to Permitted Liens, in such After-Acquired Collateral and to have such After-Acquired Collateral (but subject to certain limitations, if applicable), added to the Collateral, and thereupon all provisions of the Indenture relating to the Collateral shall be deemed to relate to such After-Acquired Collateral to the same extent and with the same force and effect; provided, however, that if granting such security interest in such After-Acquired Collateral requires the consent of a third party, the Issuers will use commercially reasonable efforts to obtain such consent with respect to the security interest for the benefit of the Trustee on behalf of the Holders of the Notes; *provided further, however*, that if such third party does not consent to the granting of such security interest after the use of such commercially reasonable efforts, the Issuers or such Note Guarantor, as the case may be, will not be required to provide such security interest. Under the commercially reasonable efforts standard, the Issuers will not be obligated to seek to obtain consent if, in the good faith determination of BP I, to do so would have a material adverse effect on the ability of the Issuers or the relevant Note Guarantors to conduct their operations and business in the ordinary course or if, in good faith determination of BP I, to do so would be inconsistent with the Agreed Security Principles.

Covenant Suspension. If (i) the Notes have Investment Grade Ratings from both Rating Agencies, and the Issuers have delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a Covenant Suspension Event) then, beginning on that day, BP I, BP II and the Restricted Subsidiaries will not be subject to the covenants (and related defaults) specifically listed under the following captions in this Description of the Senior Secured Notes section of the Offering Circular (the Suspended Covenants):

(1) Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(2) Limitation on Restricted Payments;

(3) Dividend and Other Payment Restrictions Affecting Subsidiaries;

(4) Asset Sales;

(5) Transactions with Affiliates;

(6) Future Note Guarantors;

(7) Future Collateral;

(8) clause (4) of the first paragraph of Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets; and

(9) Change of Control.

In the event that BP I, BP II and the Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the Reversion Date) one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating or (b) BP I, BP II or any of their Affiliates enters into an agreement to effect a transaction that would result in a breach of a Suspended Covenant if not so suspended and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the Notes below an Investment Grade Rating, then BP I, BP II and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture. Such covenants will not, however, be of any effect with regard to the actions of BP I, BP II and the Restricted Subsidiaries properly taken during the continuance of the covenant suspension and the covenant described under Limitation on Restricted Payments shall be interpreted as if it had been in effect since the Reference Date except that no Default will be deemed to have occurred and will not occur solely by reason of a Restricted Payment made during the covenant suspension.

During the continuance of the covenant suspension, no Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Indenture provides that each of BP I, BP II and each of the Issuers may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind-up or convert into (whether or not BP I, BP II or any

Issuer, as applicable, is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets in one or more related transactions, to any Person unless:

(1) BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, is the surviving person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding-up or conversion (if other than BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or New Zealand (BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, or such Person, as the case may be, being herein called the Successor Company); provided that in the case where the surviving Person is not a corporation, a co-obligor of the Notes is a corporation;

(2) the Successor Company (if other than BP I, BP II, US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable) expressly assumes all the obligations of BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, under its Note Guarantee (if applicable), the Indenture, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and the applicable Security Documents pursuant to supplemental indentures or other documents or instruments in form and substance satisfactory to the Trustee;

(3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either:

(a) the Successor Company would be permitted to Incur at least 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and the Restricted Subsidiaries immediately prior to such transaction;

(5) if the Successor Company is not BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, the Issuers and each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Indenture, Notes, Note Guarantee, the Security Documents, First Lien Intercreditor Agreement and Existing Intercreditor Agreement, as applicable, shall apply to such Person s obligations under the Indenture, the Notes, the Security Documents, the First Lien Intercreditor Agreement and Existing Intercreditor Agreement; and

(6) the Issuers shall have delivered to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with the Indenture, provided that in giving such opinion such counsel may rely on an Officers Certificate as to compliance with the foregoing clauses (3) and (4) and as to any matters of fact.

The Successor Company (if other than BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable) will succeed to, and be substituted for, BP I, BP II, the US Issuer I, the US Issuer II or

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the Luxembourg Issuer, as applicable, under the applicable Note Guarantee (if applicable), the Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and Existing Intercreditor Agreement, and in such event BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, will automatically be released and discharged from its obligations under the applicable Note Guarantee, the Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and Existing Intercreditor Agreement. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary (other than an Issuer) may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to BP I, BP II or to another Restricted Subsidiary, and (b) BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer in a member state of (or in another member state of) the European Union on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or New Zealand or may convert into a limited liability company, so long as the amount of Indebtedness of BP I, BP II and the Restricted Subsidiaries is not increased thereby. The provisions set forth in this Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among BP I, BP II and the Restricted Subsidiaries.

The Indenture further provides that, subject to certain limitations in the Indenture governing release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Note Guarantor, no Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind-up into (whether or not such Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets in one or more related transactions to, any Person unless:

(1) either (a) such Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Note Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof or New Zealand (such Note Guarantor or such Person, as the case may be, being herein called the Successor Note Guarantor), and the Successor Note Guarantor (if other than such Note Guarantor) expressly assumes all the obligations of such Note Guarantor under the Indenture, the relevant Security Documents, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and such Note Guarantor s Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form satisfactory to the Trustee, or (b) if such sale or disposition or consolidation, amalgamation or merger is with a Person other than BP I, BP II or any Restricted Subsidiary, such sale or disposition or consolidation, amalgamation or merger is not in violation of the covenant described above under the caption Certain Covenants Asset Sales; and

(2) the Successor Note Guarantor (if other than such Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

Subject to certain limitations described in the Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Note Guarantor (if other than such Note Guarantor) will succeed to, and be substituted for, such Note Guarantor under the Indenture and such Note Guarantor s Note Guarantee, and such Note Guarantor will automatically be released and discharged from its obligations under the Indenture and such Note Guarantor s Note Guarantee. Notwithstanding the foregoing, (1) a Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Note Guarantor in a member state of (or another member state of) the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, so long as the amount of Indebtedness of the Note

Guarantor is not increased thereby, and (2) a Note Guarantor may merge, amalgamate or consolidate with another Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Note Guarantor may consolidate, amalgamate or merge with or into or wind-up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets (collectively, a Transfer) to (x) BP I, an Issuer or any Note Guarantor or (y) any Restricted Subsidiary that is not a Note Guarantor; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed 5.0% of the consolidated assets of BP I, BP II, the Issuers and the Note Guarantors as shown on the most recent available combined consolidated balance sheet of BP I, BP II, the Issuers and the Restricted Subsidiaries after giving effect to each such Transfer and including all Transfers occurring from and after the Issue Date (excluding Transfers in connection with the Transactions described in the Offering Circular). Subject to the foregoing, upon a Transfer to a Restricted Subsidiary that is not a Note Guarantor, any Collateral subject to security interests in favor of the Notes will be automatically released from such security interests and the Notes will no longer have the benefit of such Collateral.

Additional Covenants. The Indenture also contains covenants with respect to the following matters: (a) payment of the principal, premium, any Additional Amounts and interest; (b) maintenance of an office or agency in New York; and (c) arrangements regarding the handling of money held.

Defaults

An Event of Default is defined in the Indenture as:

(1) a default in any payment of interest on any Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase (other than with respect to any Change of Control Payment, which shall be governed by clause (4) below);

(3) the failure by BP I, BP II or any Restricted Subsidiaries to comply with the covenants described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets , Limitation on the US Issuers ;

(4) the failure by BP I, BP II or any Restricted Subsidiaries to comply for 60 days after notice with its other agreements contained in the Notes or the Indenture (other than a failure to purchase Notes);

(5) the failure by BP I, BP II, an Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to BP I, BP II or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds 20.0 million or its foreign currency equivalent (the cross-acceleration provision);

(6) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer, a Significant Subsidiary or any Restricted Subsidiary that, directly or indirectly, owns or holds any Equity Interest of an Issuer (the bankruptcy provisions);

(7) failure by BP I, BP II, an Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of 20.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the judgment default provision);

(8) any Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Note Guarantee of one or more Note Guarantors that collectively would represent a Significant Subsidiary) ceases to be in full force and effect (except as

contemplated by the terms thereof or the terms of the Indenture or the First Lien Intercreditor Agreement) or BP I, BP II or any Note Guarantor that qualifies as a Significant Subsidiary (or one or more Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Indenture or any Note Guarantee and such Default continues for 20 days; or

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(9) the security interest in the Collateral created under any Security Document shall, at any time, cease to be in full force and effect and constitute a valid and, to the extent applicable and required by the Agreed Security Principles, perfected, lien with the priority required by the Indenture for any reason other than the satisfaction in full of all obligations under the Indenture and discharge of the Indenture or in accordance with the terms of the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement or any Additional Intercreditor Agreement or as provided under Security Releases above or any security interest created under any Security Document shall be invalid or unenforceable (other than any such failure to be in full force and effect and constitute a valid and, to the extent applicable and required by the Agreed Security Principles, perfected, lien with the priority required by the Indenture or any invalidity or unenforceability that would not be material to the Holders) or RGHL, BP I, an Issuer or any Person granting Collateral the subject of any such security interest shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable and in each case (but only in the event that such failure to be in full force and effect and constitute a valid and, to the extent applicable and required by the Agreed Security Principles, perfected, lien with the priority required by the Indenture or such invalidity or unenforceability or failure to be perfected or such assertion is capable of being cured without imposing any new hardening period, in equity or at law, to which such security interest was not otherwise subject immediately prior to such failure or assertion, other than any such hardening period that is also applicable to any other Lien over the relevant Collateral) such failure or such assertion shall have continued uncured for a period of (x) 30 days after the Issuers become aware of such failure with respect to any Collateral of a Domestic Subsidiary of BP I (other than Collateral which is an Equity Interest of a Foreign Subsidiary) or (y) 60 days after the Issuers become aware of such failure otherwise (the security default provision).

The foregoing constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clause (4) (other than a failure to purchase Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Notes of such series notify the Issuers of the default and the Issuers do not cure or cause the cure of such default within the time specified in clause (4) hereof, after receipt of such notice.

If an Event of Default (other than a Default relating to (x) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer or any Restricted Subsidiary that, directly or indirectly, holds or owns any Equity Interest of an Issuer or (y) the covenant Limitation on the US Issuers) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding Notes by notice to the Issuers may declare the principal of, premium, if any, and accrued but unpaid interest (including additional interest, if any) on all the Notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to (x) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer or any Restricted Subsidiary that, directly or indirectly, holds or owns any Equity Interest of an Issuer or (y) the covenant Limitation on the US Issuers occurs, the principal of, premium, if any, and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

In the event of any Event of Default specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes, if within 20 days after such Event of Default arose the Issuers deliver an Officers Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes as described above be annulled, waived or rescinded upon the happening of any such events.

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Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing,

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy,

(3) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense,

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. We cannot assure you that indemnification satisfactory to the Trustee will be on commercially reasonable terms or terms acceptable to holders of the Notes such that an agreement will be reached and the Trustee will act on behalf of the secured noteholders.

The Indenture provides that if a Default occurs and is continuing and has been notified to the Trustee, the Trustee must mail (or otherwise deliver in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) to each holder of Notes notice of the Default within the earlier of 90 days after it occurs or 30 days after written notice of it is received by the Trustee. In addition, the Issuers are required to deliver to the Trustee, within 120 days after the end of each fiscal year and in any event, within 14 days of request by the Trustee, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuers also are required to deliver to the Trustee (i) as soon as any of them become aware of the occurrence of an Event of Default, written notice of the occurrence of such Event of Default and (ii) within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action BP I, BP II or any Issuer is taking or proposes to take in respect thereof.

Additional Intercreditor Agreements

The Indenture provides that, at the request of the Issuers, in connection with the Incurrence by BP I, BP II or the Restricted Subsidiaries of any Indebtedness for borrowed money permitted pursuant to the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, constituting First Lien Obligations or Subordinated Indebtedness of BP I, BP II, any Issuer or any Note Guarantor, BP I, BP II, the Issuers, the relevant Restricted Subsidiaries and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) one or more intercreditor agreements (each an Additional

Intercreditor Agreement) on substantially the same terms as one or both of the First Lien Intercreditor Agreement and the Existing Intercreditor Agreement (or, in each case, on terms not materially less favorable to the holders of the Notes), including containing substantially the same terms with respect to enforcement and release of Note Guarantees and Collateral; provided, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, the First Lien Intercreditor Agreement or the Existing Intercreditor Agreement.

The Indenture also provides that, at the direction of the Issuers and without the consent of secured noteholders, the Trustee shall from time to time enter into one or more amendments to the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, mistake, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by BP I, BP II or a Restricted Subsidiary (including with respect to any Existing Intercreditor Agreement or Additional Intercreditor Agreement the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add parties to the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement or an Additional Intercreditor Agreement, including Note Guarantors, or successors, including successor trustees or other Representatives, (4) secure the Notes (including Additional Notes), First Lien Obligations or any Subordinated Indebtedness, in each case to the extent permitted to be Incurred and so secured hereunder, (5) make provision for pledges of any collateral to secure the Notes (including any Additional Notes), First Lien Obligations or any Subordinated Indebtedness, in each case to the extent permitted to be Incurred and so secured hereunder or (6) make any other change to any such agreement that does not adversely affect the Notes in any material respect. The Issuers shall not otherwise direct the Trustee to enter into any amendment to the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under Amendments and Waivers, and the Issuers may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture also provides that each secured noteholder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and the performance by the Trustee of its obligations and the exercise of its rights thereunder and in connection therewith. A copy of the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee.

Amendments and Waivers

Subject to certain exceptions, the Indenture, the Notes, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement, Additional Intercreditor Agreements and the Security Documents may be amended with the consent of the holders of a majority in principal amount of the Notes then outstanding and any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding; provided, however, that without the consent of each holder of an outstanding Note affected, no amendment may, among other things:

(1) reduce the amount of Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Note,

(3) reduce the principal of or extend the Stated Maturity of any Note,

(4) reduce the premium or amount payable upon the redemption of any Note, change the time at which any Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes,

(5) make any Note payable in money other than that stated in such Note,

(6) expressly subordinate the Notes or any Note Guarantee to any other Indebtedness of any Issuer, BP I or any Note Guarantor not otherwise permitted by the Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder s Notes,

(8) make any change in the amendment provisions which require the holder s consent as described in this sentence or in the waiver provisions,

(9) change the provisions of the First Lien Intercreditor Agreement or the Existing Intercreditor Agreement or any Additional Intercreditor Agreement in any manner adverse to the interests of the Holders in any material respect,

(10) make any change in the provisions of the Indenture described under Withholding Taxes that adversely affects the rights of any Holder to receive payments of Additional Amounts pursuant to such provisions or amend the terms of the Notes or the Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder that are required to be withheld or deducted by any Relevant Taxing Jurisdiction from any payments made on the Note or any Note Guarantees by the Payors, unless RGHL or any Restricted Subsidiary agrees to pay any Additional Amounts that arise as a result. For purposes of this paragraph (10) a Relevant Taxing Jurisdiction shall include the United States.

Without the consent of the holders of the requisite percentage of the aggregate principal amount of the Notes then outstanding required by the Trust Indenture Act (which consents may be obtained in connection with a tender offer or exchange offer for the Notes), no amendment or waiver may release from the Lien of the Indenture and the Security Documents all or substantially all of the Collateral; provided, however, that if any such amendment or waiver disproportionately adversely affects one series of Notes, such amendment or waiver shall also require the consent of the holders of at least the requisite percentage of the aggregate principal amount of such adversely affected series of Notes required by the Trust Indenture Act (which consents may be obtained in connection with a tender offer or exchange offer for the Notes).

Without the consent of any Holder, BP I, the Issuers, the Trustee and the Collateral Agent may amend the Indenture, the Notes, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and any Additional Intercreditor Agreement or any Security Document (1) to cure any ambiguity, omission, mistake, defect or inconsistency, (2) to give effect to any provision of the Indenture (including the release of any Note Guarantees or security interest in any Collateral in accordance with the terms of the Indenture, and to comply with the covenant under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets), (3) to provide for the assumption by a Successor Company of the obligations of any Issuer under the Indenture and the Notes, to provide for the assumption by Midco of the obligations of RGHL under the Indenture and the Notes, to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee, (4) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code), (5) to add a Note Guarantee with respect to the Notes, (6) to add assets to the Collateral, (7) to release Collateral from any Lien pursuant to the Indenture, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security Documents when permitted or required by the Indenture, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security Documents, (8) to the extent necessary to provide for the granting of a security interest for the benefit of any Person, provided that the granting of such security interest is not prohibited under Certain Covenants Impairment of Security Interest or otherwise under the Indenture, (9) to add to the covenants of BP I, BP II or any Note Guarantor for the benefit of the Holders or to surrender any right or power conferred upon BP I or BP II, (10) to make any change that does not adversely affect the rights of any Holder, (11) to evidence and give effect to the acceptance and appointment under the Indenture, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security

Documents of a successor Trustee, (12) to provide for the accession of the Trustee to any instrument in connection with the Notes, (13) to make certain changes to the Indenture to provide for the issuance of Additional Notes or (14) to comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required.

The consent of the noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Indenture becomes effective, the Issuers are required to mail (or otherwise deliver in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) to the respective noteholders a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

No Personal Liability of Directors, Officers, Employees, Managers and Stockholders

No (i) director, officer, employee, manager, incorporator or holder of any Equity Interests in BP I, BP II or any Issuer or any direct or indirect parent corporation or (ii) director, officer, employee or manager of a Note Guarantor, will have any liability for any obligations of the Issuers under the Notes, the Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the registrar and the Trustee may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a noteholder to pay any taxes required by law or permitted by the Indenture. The Issuers are not required to transfer or exchange any Note selected for redemption or to transfer or exchange any Note for a period of 15 days prior to a selection of Notes to be redeemed. The Notes will be issued in registered form and the registered holder of a Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held by the Issuers and thereafter repaid to the Issuers or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the Notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuers, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers, and the Issuers have irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuers directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) BP I, BP II, an Issuer or the Note Guarantors have paid all other sums payable under the Indenture; and

(3) the Issuers have delivered to the Trustee an Officers Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, provided that any counsel may rely on an Officers Certificate as to matters of fact.

Defeasance

The Issuers at any time may terminate all their obligations under the Notes and the Indenture (legal defeasance), and cure any existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. The Issuers at any time may terminate their obligations under the covenants described under Certain Covenants, the operation of the cross-acceleration provision and the bankruptcy provisions with respect to Significant Subsidiaries, and the security default provision and the judgment default provision described under Defaults and the undertakings and covenants contained under Change of Control and Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets (covenant defeasance). If the Issuers exercise their legal defeasance option or their covenant defeasance option, each Note Guarantor will be released from all of its obligations with respect to its Note Guarantee and the Issuers and each Note Guarantor will be released from all of its obligations with respect to the Security Documents.

The Issuers may exercise their legal defeasance option notwithstanding their prior exercise of their covenant defeasance option. If the Issuers exercise their legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuers exercise their covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6) (with respect only to Significant Subsidiaries), (7), (8) or (9) under Defaults or because of the failure of the Issuers to comply with clause (4) under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.

In order to exercise its defeasance option, the Issuers must irrevocably deposit (the defeasance trust) with the Trustee money in US Dollars for the payment of principal, premium (if any) and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable U.S. Federal income tax law).

Concerning the Trustee

The Bank of New York Mellon is the Trustee under the Indenture.

If the Trustee becomes a creditor of the Issuers or any Note Guarantor, the Indenture and the Trust Indenture Act limit its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign.

The Indenture provides that in case an Event of Default will occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

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Notices

All notices to secured noteholders will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear, Clearstream and DTC, as applicable, each of which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made, provided that, if notices are mailed (or otherwise delivered in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable), such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed or delivered. Any notice or communication mailed to a secured noteholder shall be mailed to such Person by first-class mail or other equivalent means (or otherwise delivered in accordance with applicable Euroclear, Clearstream or DTC procedures as applicable) and shall be sufficiently given to him if so mailed or delivered within the time prescribed. Failure to mail (or otherwise deliver in accordance with applicable Euroclear, Clearstream or DTC procedures, as applicable) a notice or communication to a secured noteholder or any defect in it shall not affect its sufficiency with respect to other secured noteholders. If a notice or communication is mailed or delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

Currency Indemnity and Calculation of Dollar-denominated Restrictions

The US Dollar is the sole currency of account and payment for all sums payable by BP I, BP II, the Issuers or any Note Guarantor under or in connection with the Dollar Notes, including damages. Any amount with respect to the Dollar Notes received or recovered in a currency other than US Dollars, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuers or any Note Guarantor or otherwise by any secured noteholder or by the Trustee, in respect of any sum expressed to be due to it from the Issuers or any Note Guarantor will only constitute a discharge to the Issuers or any Note Guarantor to the extent of the US Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that US Dollar amount is less than the US Dollar amount expressed to be due to the recipient or the Trustee under any Note, BP I, BP II, the Issuers and any Note Guarantor will indemnify such recipient against any loss sustained by it as a result. In any event, BP I, BP II, the Issuers and any Note Guarantor will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the holder of a Note or the Trustee to certify in a manner satisfactory to the Issuers (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from BP I, BP II, the Issuers and any Note Guarantor s other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Consent to Jurisdiction and Service

Each of BP I, BP II, the Issuers and the Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof and courts of its own corporate domicile, with respect to actions brought against it as defendant; (2) consented that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (3) irrevocably designated and appointed the US Issuer II as its authorized agent upon which process may be served in any action, suit or proceeding arising out of or relating to the Indenture that may be instituted in any Federal or state court in the State of New York; and (4) agreed that service of any process, summons, notice or document by US registered mail addressed to the US Issuer II, with written notice of said service to such Person at the address of the US Issuer II set forth in the Indenture shall be effective service of process for any action, suit or proceeding brought in any such court.

Enforceability of Judgments

Since a significant portion of the assets (including assets constituting the Collateral) of BP I, BP II, the Issuers and the Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Note Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Governing Law

The Indenture provides that it and the Notes are governed by, and construed in accordance with, the laws of the State of New York.

The First Lien Intercreditor Agreement provides that it is governed by, and construed in accordance with, the laws of the State of New York.

The Existing Intercreditor Agreement provides that it is governed by, and construed in accordance with, the laws of England.

Unless granted under a Security Document governed by the law of the jurisdiction of an Obligor, under English law or under the applicable laws of the United States (or any state therein), all Security Documents (other than share security over an Obligor s Subsidiaries) shall be governed by the law of and secure assets located in the jurisdiction of organization of that Obligor; provided that for certain receivables security and other related assets, such security may be governed by the laws of the jurisdiction of organization of the creditor or that governs the underlying receivable.

See Certain Insolvency and Other Local Law Considerations and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult.

Book-Entry, Delivery and Form

General

The Notes will be represented by two or more global Notes in registered form without interest coupons attached (collectively, the Global Notes). The Global Notes in respect of the Dollar Notes will be deposited upon issuance with a custodian for The Depository Trust Company (DTC) and registered in the name of Cede & Co., as nominee of DTC. The Global Notes in respect of the Euro Notes will be deposited with the common depositary and registered in the name of the common depositary for the accounts of Euroclear and Clearstream.

In the event that Additional Notes are issued pursuant to the terms of the Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Notes, if any, to be issued in the form of one or more global Notes (the Additional Global Notes) and registered in the name of and deposited with the nominee of DTC or the common depositary for Euroclear and Clearstream, as applicable.

Ownership of beneficial interests in each Global Note and ownership of interests in each Additional Global Note (together, the Book-Entry Interests) will be limited to persons that have accounts with the relevant Depositary or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the relevant Depositary and their participants. As used in this section, Depositary means, with respect to the Global Notes and the Additional Global Notes, if any, DTC, Euroclear and/or Clearstream, as applicable.

The Book-Entry Interests will not be held in definitive form. Instead, the relevant Depositary will credit on its book-entry registration and transfer systems a participant s account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge or grant any other security interest in Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Notes for purposes of the Indenture.

So long as the Notes and any Additional Notes are held in global form, Euroclear, Clearstream and/or DTC, as applicable (or their respective nominees), may be considered the sole holders of Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear, Clearstream and/or DTC, as applicable, and indirect participants must rely on the procedures of Euroclear, Clearstream and/or DTC, as applicable, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

The Issuers and the Trustee and their respective agents will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will not receive definitive Notes in registered form (Definitive Registered Notes) in exchange for their Book-Entry Interests unless (a) the Issuers have consented thereto in writing, or such transfer or exchange is made pursuant to one of clauses (i), (ii) or (iii) of this paragraph and (b) such transfer or exchange is in accordance with the applicable rules and procedures of the relevant Depositary and the applicable provisions of the Indenture. Subject to applicable provisions of the Indenture, Definitive Registered Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Note if:

(i) the Issuers notify the Trustee in writing that the Depositaries are unwilling or unable to continue to act as depositary and the Issuers do not appoint a successor depositary within 120 days;

(ii) any Depositary so requests if an event of default under the Indenture has occurred and is continuing; or

(iii) the Issuers, at their option, notify the Trustee in writing that they elect to issue Definitive Registered Notes under the Indenture.

In such an event, (1) Definitive Registered Notes that are Dollar Notes will be issued and registered in the name or names and issued in denominations of $100,000 in principal amount and integral multiples of $1,000, and (2) Definitive Registered Notes that are Euro Notes will be issued and registered in the name or names and issued in denominations of 50,000 in principal amount and integral multiples of 1,000, in each case as requested by or on behalf of the relevant Depositary, as applicable (in accordance with its customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). Payment of principal of, and premium, if any, and interest on the Notes shall be payable at the place of payment designated by the Issuers pursuant to the Indenture, provided, however, that at the Issuers option, payment of interest on a Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Note register.

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the relevant Depositary will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the relevant Depositary in connection with the redemption of such Global Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Dollar Notes are to be redeemed at any time, DTC will credit their respective participants accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of less than $100,000 in principal amount may be redeemed in part.

We also understand that under existing practices of Euroclear and Clearstream, if fewer than all of the Euro Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of less than 50,000 in principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes for the Dollar Notes (including principal, premium, interest, additional interest and Additional Amounts) will be made by the Issuers in US Dollars to the paying agents under the Indenture. Payments of any amounts owing in respect of Global Notes for the Euro Notes (including principal, premium, interest, additional interest and Additional Amounts) will be made by the Issuers in Euros to the paying agents under the Indenture. The paying agents will, in turn, make such payments to the relevant Depositary or its nominee, as the case may be, which will distribute such payments to their respective participants in accordance with their respective procedures.

Under the terms of the Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Notes as the owner thereof for the purpose of receiving payments and other purposes under the Indenture. Consequently, the Issuers, the Trustee and the paying agents and their respective agents have not and will not have any responsibility or liability for:

- any aspect of the records of any Depositary or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by any Depositary or any participant or indirect participants, or maintaining, supervising or reviewing the records of any Depositary or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or

- any Depositary or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is the case with securities held for the accounts of customers registered in street name.

Action by Owners of Book-Entry Interests

We understand that the Depositaries will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. The Depositaries will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, each of the Depositaries reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its respective participants.

Transfers

Transfers of any Global Note shall be limited to transfers of such Global Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Indenture), not in part, to the relevant Depositary, its successors or its nominees.

Subject to the foregoing, Book-Entry Interests may be transferred and exchanged in a manner otherwise in accordance with the terms of the Indenture. Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the relevant Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Note only pursuant to the terms of the Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Dollar Notes will be made in US Dollars. Initial settlement for the Euro Notes will be made in euro, and Book-Entry Interests in Euro Notes owned through Depositary accounts will follow the settlement procedure applicable to conventional eurobonds in registered form. In the case of Book-Entry Interests held through Euroclear, Clearstream or DTC, such Book-Entry Interests will be credited to the securities custody account of Euroclear, Clearstream or DTC holders, as applicable, on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of the relevant Depositary, and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading any Book-Entry Interests where both the purchaser s and seller s accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving Euro Notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Euro Notes, or to receive or make a payment or delivery of Euro Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information

We expect that the Notes will be accepted for clearance through the facilities of Euroclear, Clearstream and DTC. The CUSIP, international securities identification numbers and common codes numbers for the Notes are set out under General Listing Information Clearing Systems.

With respect to Clearstream s clearing systems, the reference name for the Issuers is Reynolds Group. This reference name refers to Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issue (Luxembourg) S.A.

Information Concerning Euroclear, Clearstream and DTC

All Book-Entry Interests will be subject to the operations and procedures of Euroclear, Clearstream and DTC, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by such settlement system and may be changed at any time. We are not responsible for those operations or procedures.

We understand the following with respect to Euroclear, Clearstream and DTC:

DTC was created to hold securities for its participants and facilitate the clearance and settlement transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC s owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

The information in this section concerning Euroclear, Clearstream and DTC and its book-entry systems has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof.

Certain Definitions

Acquired Indebtedness means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person (including, for the avoidance of doubt, Indebtedness Incurred by such other Person in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person); and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

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Acquisition means the acquisition by BP III of the Target, by way of purchase of all the Target Shares (i) from RGHL prior to the Reference Date, (ii) under the Offer and Squeeze-Out, (iii) by way of market purchases and (iv) by way of over-the-counter purchases.

Acquisition Documents means the Offer Prospectus, the Pre-Announcement and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to the Issue Date or thereafter (so long as any amendment, supplement or modification after the Issue Date, together with all other amendments, supplements and modifications after the Issue Date, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the Acquisition Documents as in effect on the Issue Date).

Additional Intercreditor Agreement has the meaning specified under Additional Intercreditor Agreements .

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, control (including, with correlative meanings, the terms controlling, controlled by and under common control with), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

After-Acquired Collateral means any property of any Issuer or any Note Guarantor that secures any First Lien Obligations, subject to the Agreed Security Principles.

Agreed Security Principles means the following:

(A) Considerations

(1) The security that will be provided in support of the Obligations (as defined in the First Lien Intercreditor Agreement) will be given in accordance with certain security principles (the Security Principles) set forth below.

(2) The Security Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining effective security from the Issuers and Note Guarantors. However, it is acknowledged that to the extent the Security Principles conflict with the specific provisions of the Indenture or any Security Document (other than those explicitly qualified by these Security Principles), the provisions of the Indenture or such Security Document will prevail.

(3) For purposes of the Security Principles, value refers to fair market value; provided, however, that if no fair market value is readily ascertainable, value shall refer to book value determined in accordance with GAAP (as defined in the Senior Secured Credit Facilities) (consistently applied), as of the date of the most recently ended fiscal quarter for which financial statements are available.

(4) For purposes of the covenants set forth in the Indenture and Security Documents, the Applicable Representative from time to time shall make all determinations on behalf of the noteholders with respect to these Security Principles and the Notes shall not be entitled to any Collateral not also available on the same priority basis in respect of the Senior Secured Credit Facilities, any other Credit Agreement or other Public Debt.

The Security Principles are as follows:

(a) general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, thin capitalisation rules, retention of title claims, exchange control restrictions and similar principles may limit the ability of Issuers and Note Guarantors to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise; the Issuers and Note Guarantors will use reasonable endeavours to provide the maximum permissible credit support and to assist in demonstrating that adequate corporate benefit accrues to any relevant entity;

(b) the security and extent of its perfection may be limited where the Applicable Representative reasonably determines in consultation with the Loan Parties (in each case as used in this definition, such term as defined in the Senior Secured Credit Facilities) that the cost to the Loan Parties (including for the avoidance of doubt, any material tax costs to the Loan Parties taken as a whole) of providing security is excessive in relation to the benefit accruing to the Secured Parties (as defined in the First Lien Intercreditor Agreement);

(c) any assets subject to third party arrangements which are permitted by the Indenture and which prevent those assets from being subject to a Lien will not be subject to a Lien in any relevant Security Document, provided that reasonable endeavours to obtain consent to such Lien shall be used by the relevant Issuer or Note Guarantor if the relevant asset is material and if seeking such consent will not adversely affect the business of the Issuer or Note Guarantor or their commercial relationships;

(d) guarantees and security will not be required from companies that are not Wholly Owned Subsidiaries (such term, as used throughout these Security Principles, to exclude directors qualifying shares and similar insignificant minority ownership interests). Where security is provided by a wholly owned subsidiary of any Issuer or Note Guarantor (whether direct or indirect) and such subsidiary subsequently ceases to be wholly owned but remains a subsidiary, there shall be no requirement for the release of such guarantee or security;

(e) RGHL and its Subsidiaries (the Group) will not be required to grant Note Guarantees or enter into Security Documents if it would conflict with the fiduciary duties of their directors or contravene any legal prohibition or result in a risk of personal or criminal liability on the part of any officer, provided that the relevant member of the Group shall use reasonable endeavours to overcome any such obstacle; provided further, however, that the above limitation shall be assessed in respect of the obligations of such member of the Group under the Credit Documents (as defined in the First Lien Intercreditor Agreement) generally and not just the Note Guarantee or security being granted by that member of the Group;

(f) the Issuers and Note Guarantors will not be required to grant guarantees or enter into Security Documents where there would be a significant tax disadvantage in doing so and without limiting the generality of the foregoing, none of the Issuers or any Note Guarantor shall be required to give a Note Guarantee or a pledge of its assets if such entity is a US Controlled Foreign Subsidiary, and in no event shall more than 65% of the total outstanding voting Equity Interests of such an entity be required to be pledged.

(g) perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Indenture and Security Documents therefor or (if earlier or to the extent no such time periods are specified in the Indenture and Security Documents) within the time periods specified by applicable law in order to ensure due perfection. The perfection of security granted will not be required if it would have a material adverse effect on the ability of the relevant Issuer or Note Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture and Security Documents;

(h) the Collateral Agent (acting in its own right or on behalf of the relevant Secured Parties (in each case used in this definition, as defined in the First Lien Intercreditor Agreement)) shall be able to enforce the security granted by the Security Documents without any restriction from (i) the constitutional documents of any of the Issuers and Note Guarantors, to the extent that such restrictions can be removed under relevant law, (ii) any of the Issuers and Note Guarantors which is or whose assets are the subject of such Security Document (but subject to any inalienable statutory or common law rights which the Issuers and Note Guarantors may have to challenge such enforcement) or (iii) any shareholders of the foregoing not party to the relevant Security Document, to the extent that it is within the power of the Issuers and Note Guarantors to ensure that such restrictions do not apply;

(i) the maximum secured amount may be limited to minimize stamp duty, notarisation, registration or other applicable fees, taxes and duties;

(j) where a class of assets to be secured by an Obligor includes material and immaterial assets, the Issuers and the Administrative Agent under the Senior Secured Credit Facilities (or such other Applicable Representative) may agree a threshold in respect of such assets and direct the Collateral Agent to act accordingly;

(k) the only owned real property owned by RGHL and its Subsidiaries required to be pledged on the Escrow Release Date or as soon as reasonably practicable thereafter, but, in any event, at the same time such pledge is given in respect of the Senior Secured Credit Facilities, will be the real property pledged in respect of the Senior Secured Credit Facilities at such time. After the Escrow Release Date, neither RGHL nor any of its Subsidiaries will be required to pledge any real property owned by RGHL or such Subsidiaries unless the value of such real property exceeds 5.0 million. Neither RGHL nor any of its Subsidiaries will be required to pledge any property in which it has a leasehold interest;

(l) unless granted under a global Security Document governed by the law of the jurisdiction of the Issuers or a Note Guarantor or New York law, all security (other than share security over subsidiaries of the Issuers or a Note Guarantor) shall be governed by the law of and secure assets located in the jurisdiction of incorporation of that entity; provided that for certain receivables security, such security may be governed by the law of the jurisdiction of incorporation or domicile of the creditor or the law that governs the underlying receivable;

(m) other than where intellectual property is secured by a floating charge or other similar all-asset security interest, security interests need only be granted for intellectual property with a value greater than 1.0 million. Security interests in intellectual property will be registered solely in the jurisdiction of incorporation of the entity that owns such intellectual property; provided, however, that, with respect to intellectual property that is material to such entity, to the extent the registration of a security interest in or the taking of any other commercially reasonable actions with respect to, such intellectual property in any other jurisdiction is necessary to ensure that the Secured Parties would be able to realize upon the value of the secured intellectual property in the event of enforcement action, such registration or other actions will be taken in such other jurisdiction as the Collateral Agent may reasonably request taking into account the cost to the Loan Parties of such registration in relation to the benefit accruing to the Secured Parties;

(n) security interests will be taken over only those insurance policies of the Issuers and Note Guarantors that are material to the Group as a whole, as reasonably determined by the Administrative Agent under the Senior Secured Credit Facilities (or other Applicable Representative, as applicable);

(o) other than where equipment is secured by a floating charge or other similar all-asset security interest, security interests need only be granted for manufacturing equipment with a value greater than 250,000;

(p) security interests will be provided over the equity of any Subsidiary that is not a Loan Party only if (i) it is organized in a jurisdiction where one or more Loan Party is organized, (ii) as of the last day of the fiscal quarter of RGHL most recently ended for which financial statements are available, it had gross assets (excluding intra group items but including investments in Subsidiaries) in excess of 1.0% of Consolidated Total Assets (as defined in the Senior Secured Credit Facilities) or (iii) for the period of four consecutive fiscal quarters of RGHL most recently ended for which financial statements are available, it had earnings before interest, tax, depreciation and amortization calculated on the same basis as Consolidated EBITDA in excess of 1.0% of the Consolidated EBITDA (as such terms are defined in the Senior Secured Credit Facilities); and

(q) no security interest will be provided over the equity of any Subsidiary that (a) does not conduct any business operations, (b) has assets with a book value not in excess of $100,000 and (c) does not have any indebtedness outstanding.

For the avoidance of doubt, in these Security Principles, cost includes, but is not limited to, income tax cost, registration taxes payable on the creation or for the continuance of any security, stamp duties, out-of-pocket expenses and other fees and expenses directly incurred by the relevant grantor of security or any of its direct or indirect owners, Subsidiaries or Affiliates.

(B) Note Guarantors and Security

Each Note Guarantee will be an upstream, cross-stream and downstream guarantee of all the Obligations with respect to the Notes and the Note Guarantees, subject to the requirements of the Security Principles in each relevant jurisdiction. Subject to the Security Principles, the security will secure all of the Obligations with respect to the Notes and the Note Guarantees.

Subject to these Security Principles, the security package shall include stock and other membership interests issued by the Issuers and Note Guarantors and intercompany and trade receivables, bank accounts (and amounts on deposit therein), intellectual property, insurance, real estate, inventory and equipment, in each case owned by an Issuer or Note Guarantor and, in jurisdictions where an all asset security interest can be created in a security document, security over all assets shall, subject to the Indenture and Security Documents, be given by the Issuers and Note Guarantors formed in that jurisdiction.

To the extent possible, all security shall be given in favour of the Collateral Agent and not the Holders individually, provided that any accessory security (akzessorische Sicherheit) governed by Swiss and German law shall be given in favour of the Collateral Agent and Secured Parties (as defined in the First Lien Intercreditor Agreement) individually if so required by the Applicable Representative. Parallel debt provisions will be used where necessary; such provisions will be contained in the First Lien Intercreditor Agreement and not the individual Security Documents unless required under local laws. To the extent possible, the grant of security in the Collateral shall be structured, documented or otherwise implemented in a manner so that there should be no action required to be taken in relation to the security when any noteholder transfers an interest in the Notes to another party. To the extent such action is required, the Applicable Representative shall not require the Collateral Agent to obtain security in such asset giving rise to the requirement for such action upon a transfer of an interest in the Notes to another party.

The Issuers and Note Guarantors will be required to pay the reasonable costs of any re-execution, notarisation, re-registration, amendment or other perfection requirement for any security on any transfer by a Holder to a new Holder on or prior to the date on which the Initial Purchasers notify RGHL that primary distribution of the Notes is complete. Otherwise the cost or fee shall be for the account of the transferee Holder.

2. Terms of Security Documents

The following principles will be reflected in the terms of any security taken as part of this transaction:

(a) the security will be first ranking, to the extent possible;

(b) security will (to the extent possible under local law) not be enforceable unless an Event of Default (as defined in the First Lien Intercreditor Agreement) has occurred and is continuing;

(c) any representations, warranties or undertakings which are required to be included in any Security Document shall reflect (to the extent to which the subject matter of such representation, warranty and undertaking is the same as the corresponding representation, warranty and undertaking in the Credit Agreement, the Senior Secured Notes Indenture or any Additional Agreement (as defined in the First Lien Intercreditor Agreement and to the extent relevant) (collectively, the Principal Loan Documents) the commercial deal set out in the Principal Loan Documents (save to the extent that applicable local counsel agree that it is necessary to include any further provisions (or deviate from those contained in the Principal Loan Documents) in order to protect or preserve the security granted thereunder);

(d) the provisions of each security document will not be unduly burdensome on the relevant Issuer or Note Guarantor granting such security or interfere unreasonably with the operation of its business and will be limited to those required to create effective security and not impose unreasonable commercial obligations;

(e) information, such as lists of assets, will be provided if and only to the extent (i) required by law to create, enforce, perfect or register the security or (ii) necessary or advisable to enforce the security; provided, however, that such information need not be provided by an Issuer or Note Guarantor pursuant to this subclause (ii) more frequently than annually unless an Event of Default has occurred (or, in the case of third-party trade debtors, unless a Default has occurred which is continuing), and in each case that information can be provided without breaching confidentiality requirements or damaging business relationships;

(f) the Collateral Agent and Secured Parties shall be able to exercise a power of attorney only following the occurrence of an Event of Default or if the relevant Issuer or Note Guarantor granting such security has failed to comply with a further assurance or perfection obligation within 10 Business Days of being notified of that failure;

(g) security will, where possible and practical, automatically create security over future assets of the same type as those already secured;

(h) notification of receivables security to third-party trade debtors shall not be given unless a Default has occurred and is continuing and for intercompany receivables notification may be given at the time such security is granted to the extent required by local law to perfect such security or if a Default has occurred and is continuing;

(i) in respect of the share pledges, until an Event of Default has occurred, the pledgors shall be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not adversely affect the validity or enforceability of the security or cause an Event of Default to occur and the subsidiaries of the pledgors should be permitted to pay dividends upstream on pledged shares to the extent permitted under the Principal Loan Documents; and

(j) in respect of bank accounts (and cash therein), the Collateral Agent agrees with the relevant Issuer or Note Guarantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights from such Issuer or Note Guarantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal, would occur.

Applicable Premium (as determined by the Issuers) means, with respect to (x) a Dollar Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Dollar Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Dollar Note on October 15, 2012 (such redemption price being described in the second paragraph under Optional Redemption Dollar Notes exclusive of any accrued interest and additional interest, if any) plus (2) all required remaining scheduled interest payments due on such Dollar Note through October 15, 2012 (excluding accrued but unpaid interest and additional interest, if any, to the redemption date), computed using a discount rate equal to the Treasury Rate at the redemption date plus 50 basis points over (B) the principal amount of such Dollar Note on such redemption date and (y) a Euro Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Euro Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Euro Note on October 15, 2012 (such redemption price being described in the second paragraph under Optional Redemption Euro Notes exclusive of any accrued but unpaid interest and additional interest, if any) plus (2) all required remaining scheduled interest payments due on such Euro Note through October 15, 2012 (excluding accrued but unpaid interest and additional interest, if any, to the redemption date), computed using a discount rate equal to the Bund Rate at the redemption date plus 50 basis points over (B) the principal amount of such Euro Note on such redemption date.

Asset Sale means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) outside the ordinary course of

business of BP I, BP II or any Restricted Subsidiary (each referred to in this definition as a disposition) or

(2) the issuance or sale of Equity Interests (other than directors qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to BP I, BP II or a Restricted Subsidiary and other than the issuance of Preferred Stock of a Restricted Subsidiary issued in compliance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of cash, Cash Equivalents or Investment Grade Securities or obsolete, surplus or worn-out property or equipment in the ordinary course of business;

(b) transactions permitted pursuant to the provisions described above under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under Certain Covenants Limitation on Restricted Payments ;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value of less than 10.0 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to RGHL or by BP I, BP II or a Restricted Subsidiary to BP I, BP II or a Restricted Subsidiary;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater Fair Market Value or, as determined in good faith by senior management or the Board of Directors of BP I or BP II, to be of comparable or greater usefulness to the business of BP I, BP II and the Restricted Subsidiaries as a whole;

(g) foreclosure, exercise of termination rights or any similar action with respect to any property or any other asset of BP I, BP II or any Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory, trading stock or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(m) dispositions consisting of the granting of Permitted Liens;

(n) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than BP I, BP II or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(q) a Financing Disposition or a transfer (including by capital contribution) of accounts receivable and related assets of the type specified in the definition of Receivables Financing (or a fractional undivided interest therein) by a Receivables Subsidiary or any Restricted Subsidiary (x) in a Qualified Receivables Financing or (y) pursuant to any other factoring on arm s length terms or (z) in the ordinary course of business;

(r) the sale of any property in a Sale/Leaseback Transaction not prohibited by the Indenture with respect to any assets built or acquired by BP I, BP II or any Restricted Subsidiary after the Reference Date;

(s) in the ordinary course of business, any lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater Fair Market Value or, as determined in good faith by senior management or the Board of Directors of BP I or BP II, to be of comparable or greater usefulness to the business of BP I, BP II and the Restricted Subsidiaries as a whole; provided, that any cash or Cash Equivalents received must be applied in accordance with the covenant described under Certain Covenants Asset Sales; and

(t) sales or other dispositions of Equity Interests in joint ventures in existence on the Issue Date.

August 2011 Notes means the August 2011 Senior Secured Notes and the August 2011 Senior Notes.

August 2011 Senior Indenture means the Senior Notes Indenture dated as of August 9, 2011, among RGHL US Escrow II LLC, RGHL US Escrow II Inc., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

August 2011 Senior Notes means the $1,000.0 million aggregate principal amount of 9.875% Senior Secured Notes due 2019 issued pursuant to the August 2011 Senior Indenture.

August 2011 Secured Indenture means the Senior Secured Notes Indenture dated as of August 9, 2011, among RGHL US Escrow II LLC, RGHL US Escrow II Inc., The Bank of New York Mellon Trustee, Principal Paying Agent, Transfer Agent, Collateral Agent and Registrar, Wilmington Trust London Limited as Additional Collateral Agent and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

August 2011 Senior Secured Notes means the $1,500.0 million aggregate principal amount of 7.875% Senior Secured Notes due 2019 issued pursuant to the August 2011 Secured Indenture.

Bank Indebtedness means any and all amounts payable under or in respect of any Credit Agreement (which may include First Lien Obligations, including Additional Notes), the other Credit Agreement Documents and any Local Facility Agreement, in each case as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of such Credit Agreement or Local Facility Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to RGHL, BP I or BP II whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

Board of Directors means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

BP II means Beverage Packaging Holdings (Luxembourg) II S.A, a company incorporated as a société à anonyme under the laws of Luxembourg with registered office at 6C, rue Gabriel Lippman, L-5365 Munsbach, Grand Duchy of Luxembourg (or any successor in interest thereto).

BP III means Beverage Packaging Holdings (Luxembourg) III S.à r.l., a company incorporated as a société à responsabilité limitée under the laws of Luxembourg with registered office at 6C, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (or any successor in interest thereto).

Bund Rate means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) *Comparable German Bund Issue* means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to October 15, 2012, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Euro Notes and of a maturity most nearly equal to October 15, 2012; provided, however, that, if the period from such redemption date to October 15, 2012 is less than one year, a fixed maturity of one year shall be used;

(2) *Comparable German Bund Price* means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Luxembourg Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) *Reference German Bund Dealer* means any dealer of German Bundesanleihe securities appointed by the Luxembourg Issuer in consultation with the Trustee; and

(4) *Reference German Bund Dealer Quotations* means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Luxembourg Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Luxembourg Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the relevant date.

Business Day means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City, Luxembourg or London.

Capital Stock means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Capitalized Lease Obligation means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

Cash Equivalents means:

(1) US dollars, pounds sterling, euro, the national currency of any member state in the European Union or, in the case of any Restricted Subsidiary that is not organized or existing under the laws of the United States, any member state of the European Union or any state or territory thereof, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the US, U.K. Canadian, Swiss or Japanese government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank whose long-term debt is rated A or the equivalent thereof by Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of any Issuer) rated at least A-2 or the equivalent thereof by S&P or P-2 or the equivalent thereof by Moody s (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Monetary Union, the United Kingdom, Switzerland or Norway or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than any Issuer or any of its Affiliates) with a rating of A or higher from S&P or A-2 or higher from Moody s in each case with maturities not exceeding two years from the date of acquisition;

(8) for the purpose of paragraph (a) of the definition of Asset Sale, any marketable securities of third parties owned by BP I, BP II or the Restricted Subsidiaries on the Issue Date;

(9) interest in investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(10) instruments equivalent to those referred to in clauses (1) through (8) above denominated in euro or any other foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

Clearstream means Clearstream Banking, société anonyme or any successor securities clearing agency.

Code means the Internal Revenue Code of 1986, as amended.

Collateral means all the assets of any Obligor subject to Liens created pursuant to any Security Documents.

Collateral Agent means The Bank of New York Mellon in its capacity as collateral agent under the First Lien Intercreditor Agreement, any successor thereto under the First Lien Intercreditor Agreement, Wilmington Trust (London) Limited, as additional collateral agent under the First Lien Intercreditor Agreement and any other collateral agent that accedes to the First Lien Intercreditor Agreement as co-collateral agent or additional or separate collateral agent with respect to all or any portion of the Collateral, and any successor to any such other collateral agent.

Consolidated Interest Expense means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Profit (including amortization of

original issue discount and bond premium, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations (provided, however, that if Hedging Obligations result in net benefits received by such Person, such benefits shall be credited to reduce Consolidated Interest Expense to the extent paid in cash unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Profit) and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any capitalizing interest on Subordinated Shareholder Funding); plus

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than BP I, BP II and the Restricted Subsidiaries; minus

(4) interest income for such period.

Consolidated Net Profit means, with respect to any Person for any period, the aggregate of the Net Profit of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; provided, however, that, without duplication:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges (less all fees and expenses relating thereto) including severance expenses, relocation costs and expenses and expenses or charges related to any Equity Offering, Permitted Investment, acquisition (including integration costs) or Indebtedness permitted to be Incurred by the Indenture (in each case, whether or not successful), including any such fees, expenses, charges or change in control payments made under the Acquisition Documents, the Reynolds Acquisition Documents or otherwise related to the Transactions, in each case, shall be excluded;

(2) any increase in amortization or depreciation or any one-time non-cash charges or increases or reductions in Net Profit, in each case resulting from purchase accounting in connection with the Transactions or any acquisition that is consummated after the Issue Date shall be excluded;

(3) the Net Profit for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of BP I or BP II) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Profit for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of Cumulative Credit contained in Certain Covenants Limitation on Restricted Payments, the Net Profit for such period of any Restricted Subsidiary (other than any Issuer or any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Profit is not at the date of determination

permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived or are permitted under the covenant described under Certain Covenants Dividend and Other Payment Restrictions Affecting Subsidiaries; provided that the Consolidated Net Profit of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Tax Distributions actually made to any parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under Certain Covenants Limitation on Restricted Payments shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any non-cash impairment charges or asset write-offs, and the amortization of intangibles arising in each case pursuant to GAAP or the pronouncements of the IASB shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights to officers, directors and employees shall be excluded;

(12) any (a) one-time non-cash compensation charges, (b) the costs and expenses after the Issue Date related to employment of terminated employees, (c) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (d) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Issue Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted as a result of the Transactions (including as a result of the adoption or modification of accounting policies in connection with the Transactions) within 12 months after the Issue Date and that are so required to be established in accordance with GAAP shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Profit of any Person and its Restricted Subsidiaries shall be calculated without deducting the income attributable to, or adding the losses attributable to, the minority equity interests of third parties in any non-wholly owned Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties and (b) any ordinary course dividend, distribution or other payment paid in cash and received from any Person in excess of amounts included in clause (7) above shall be included;

(15) (a) (i) the non-cash portion of straight-line rent expense shall be excluded and (ii) the cash portion of straight-line rent expense that exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP shall be excluded;

(16) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies resulting from the applications of the applicable standard under GAAP shall be excluded; and

(17) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of BP I and BP II calculated in accordance with GAAP and the actual Consolidated Taxes paid in cash by BP I and BP II during any Reference Period shall be included.

Notwithstanding the foregoing, for the purpose of the covenant described under Certain Covenants Limitation on Restricted Payments only, there shall be excluded from Consolidated Net Profit any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of BP I or BP II or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (5) and (6) of the definition of Cumulative Credit contained therein.

Consolidated Non-cash Charges means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Profit of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

Consolidated Taxes means with respect to any Person for any period, provision for taxes based on income, profits or capital, including, without limitation, national, state, franchise and similar taxes and any Tax Distributions taken into account in calculating Consolidated Net Profit.

Contingent Obligations means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (primary obligations) of any other Person (the primary obligor) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

Credit Agreement means (i) the Senior Secured Credit Facilities and (ii) whether or not the instruments referred to in clause (i) remain outstanding, if designated by the Issuers to be included in the definition of Credit Agreement, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers acceptances) or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

Credit Agreement Documents means the collective reference to the Credit Agreement, any notes issued pursuant thereto and the guarantees thereof and any security or collateral documents entered into in relation thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time.

Currency Agreement means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such

Person is a party or beneficiary.

Default means any event which is, or after notice or passage of time or both would be, an Event of Default.

Designated Non-cash Consideration means the Fair Market Value of non-cash consideration received by BP I, BP II or one of the Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

Designated Preferred Stock means Preferred Stock of BP I or BP II or any direct or indirect parent of BP I or BP II (other than Disqualified Stock), that is issued for cash (other than to BP I, BP II or any of their respective Subsidiaries or an employee stock ownership plan or trust established by BP I, BP II or any of their respective Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers Certificate, on the issuance date thereof.

Disinterested Directors means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of BP I, BP II or any parent company of BP I or BP II having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member s holding of Equity Interests of BP I, BP II or any parent company of BP I or BP II or any options, warrants or other rights in respect of such Equity Interests.

Disqualified Stock means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale, provided that the relevant asset sale or change of control provisions, taken as a whole, are not materially more disadvantageous to the holders of the Notes than is customary in comparable transactions (as determined in good faith by the Issuers));

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person; or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale),

in each case prior to 91 days after the maturity date of the Notes or the date the Notes are no longer outstanding; provided, however, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; provided, further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of BP I, BP II or their respective Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by BP I or BP II in order to satisfy applicable statutory or regulatory obligations or as a result of such employee s termination, death or disability; provided, further, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

Domestic Subsidiary means, with respect to any Person, any Subsidiary of such Person that is incorporated or organized under the laws of the United States of America or any state thereof or the District of Columbia.

EBITDA means, with respect to any Person for any period, the Consolidated Net Profit of such Person for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Profit:

(1) Consolidated Taxes; plus

(2) Consolidated Interest Expense; plus

(3) Consolidated Non-cash Charges; plus

(4) business optimization expenses and other restructuring charges, expenses or reserves; provided that with respect to each business optimization expense or other restructuring charge, expense or reserve, the Issuers shall have delivered to the Trustee an Officers Certificate specifying and quantifying such

expense, charge or reserve and stating that such expense, charge or reserve is a business optimization expense or other restructuring charge or reserve, as the case may be; plus

(5) the amount of management, monitoring, consulting and advisory fees and related expenses paid to Rank (or any accruals relating to such fees and related expenses) during such period pursuant to the terms of the agreements between Rank and BP I or BP II and its Subsidiaries as described with particularity in the Offering Circular and as in effect on the Issue Date; plus

(6) all add backs reflected in the financial presentation of RGHL Group Combined Pro Forma Adjusted EBITDA in the section called Summary Historical Pro Forma Financial and Other Data in the amounts set forth in and as further described in that section of the Offering Circular, but only to the extent such add backs occurred in the consecutive four quarter period used in the calculations of Fixed Charge Coverage Ratio and Senior Secured First Lien Leverage Ratio, as the case may be; less, without duplication,

(1) non-cash items increasing Consolidated Net Profit for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period); less

(2) all deductions reflected in the financial presentation of RGHL Group Combined Pro Forma Adjusted EBITDA in the section called Summary Historical Pro Forma Financial and Other Data in the amounts set forth in and as further described in that section of the Offering Circular, but only to the extent such deductions occurred in the consecutive four quarter period used in the calculations of Fixed Charge Coverage Ratio and Senior Secured First Lien Leverage Ratio, as the case may be.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Equity Offering means any public or private sale after the Issue Date of ordinary shares or Preferred Stock of BP I or any direct or indirect parent of BP I or BP II, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to BP I s or such direct or indirect parent s ordinary shares registered on Form S-8;

(2) issuances to any Subsidiary of BP I or BP II; and

(3) any such public or private sale that constitutes an Excluded Contribution.

Euro Equivalent means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by BP I, BP II or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the Currency Rates section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by BP I or BP II) on the date of such determination.

Euroclear means Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System or any successor securities clearing agency.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Excluded Contributions means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of BP I or BP II) received by BP I or BP II, as applicable, after the Issue Date from:

(1) contributions to its common equity capital; or

(2) the sale (other than to a Subsidiary of BP I or BP II or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of BP I or BP II,

in each case designated as Excluded Contributions pursuant to an Officers Certificate executed by an Officer of BP I or BP II on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

Existing Credit Agreement means the senior facilities agreement dated 11 May 2007, between, among others, BP I and Credit Suisse as mandated lead arranger, agent, issuing bank and security trustee, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

Existing Intercreditor Agreement means the intercreditor agreement dated May 11, 2007, among RGHL, BP I, the senior lenders identified therein, Credit Suisse, as senior agent thereunder, the senior issuing banks as identified therein, the subordinated bridging lenders, Credit Suisse, as subordinated bridging agent, Credit Suisse, as security trustee, and the other parties identified therein, as amended on the Escrow Release Date, and as amended, supplemented or modified from time to time thereafter.

Existing Notes Collateral means (x) all of the capital stock of BP I and (y) the receivables under the intercompany loans, each dated June 29, 2007 and between BP II and BP I in respect of the proceeds from the Senior Notes and the Senior Subordinated Notes, as from time to time amended, supplemented or modified.

Existing Notes Offering Circular means the Offering Circular dated June 22, 2007, with respect to the Senior Notes and Senior Subordinated Notes.

Existing Notes Security Documents means the agreements or other instruments entered into or to be entered into between, inter alios, the collateral agent under the Senior Note Indenture and Senior Subordinated Note Indenture, the trustee under the Senior Note Indenture and Senior Subordinated Note Indenture, RGHL and BP II pursuant to which security interests in the Existing Notes Collateral are granted to secure the Senior Notes and the Senior Subordinated Notes from time to time, as from time to time amended, supplemented or modified.

Fair Market Value means, with respect to any asset or property, the price that could be negotiated in an arm s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined in good faith by BP I or BP II except as otherwise provided in the Indenture).

February 2011 Notes means the February 2011 Senior Secured Notes and the February 2011 Senior Notes.

February 2011 Senior Indenture means the Senior Notes Indenture dated as of February 1, 2011, among the US Issuer I, the US Issuer II, the Luxembourg Issuer, the guarantors from time to time party thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Registrar and Transfer Agent and The Bank of New York Mellon, London Branch, as Paying Agent, as supplemented, amended and modified from time to time thereafter.

February 2011 Senior Notes means the $1,000.0 million aggregate principal amount of 8.250% Senior Notes due 2021 issued pursuant to the February 2011 Senior Indenture.

February 2011 Senior Secured Indenture means the Senior Secured Notes Indenture dated as of February 1, 2011, among the US Issuer I, the US Issuer II, the Luxembourg Issuer, the guarantors from time to time party thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Registrar, Transfer Agent and Collateral Agent and The Bank of New York Mellon, London Branch, as Paying Agent, and Wilmington Trust (London) Limited, as additional Collateral Agent, as supplemented, amended and modified from time to time thereafter.

February 2011 Senior Secured Notes means the $1,000.0 million aggregate principal amount of 6.875% Senior Secured Notes due 2021 issued pursuant to the February 2011 Senior Secured Indenture. *Financial Assistance Restricted Subsidiary* means any Restricted Subsidiary that is prevented from being a Note Guarantor due to applicable financial assistance laws; provided that such Restricted Subsidiary shall become a Note Guarantor upon or as soon as reasonably practical after (but not later than 90 days after (subject to the expiration of applicable waiting periods and compliance with applicable laws)) such financial assistance laws no longer prevent such Restricted Subsidiary from being a Note Guarantor if it would otherwise be required to be a Note Guarantor pursuant to Certain Covenants Future Note Guarantors.

February 2012 Notes means the $1,250.0 million aggregate principal amount of 9.875% Senior Notes due 2019 issued pursuant to the February 2012 Senior Indenture.

February 2012 Senior Indenture means the Senior Notes Indenture dated as of February 15, 2012, among the Issuers, certain guarantors thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent.

Financing Disposition means any sale, transfer, conveyance or other disposition of inventory that is equipment used in the product filling process by BP I or any Restricted Subsidiary thereof to a Person that is not a Subsidiary of BP I or BP II that meets the following conditions:

(1) the Board of Directors of BP I shall have determined in good faith that such sale, transfer, conveyance or other disposition is in the aggregate economically fair and reasonable to BP I or, as the case may be, the Restricted Subsidiary in question;

(2) all sales of such inventory are made at Fair Market Value;

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by BP I);

(4) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Person (i) is guaranteed by BP I, BP II or any Restricted Subsidiary, (ii) is with recourse to or obligates BP I, BP II or any Subsidiary of BP I or BP II in any way or (iii) subjects any property or asset of BP I, BP II or any other Subsidiary of BP I or BP II, directly or indirectly, contingently or otherwise, to the satisfaction thereof;

(5) neither BP I, BP II nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding with such Person other than on terms which BP I or BP II reasonably believes to be no less favorable to BP I, BP II or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of any Issuer; and

(6) neither BP I, BP II nor any other Restricted Subsidiary has any obligation to maintain or preserve such Person s financial condition or cause such entity to achieve certain levels of operating results.

First Lien Intercreditor Agreement means the intercreditor agreement dated as of the Issue Date, among The Bank of New York Mellon, as Collateral Agent, Credit Suisse, as Representative under the Credit Agreement, The Bank of

New York Mellon, as Representative under the Indenture, each additional Representative from time to time party thereto and the grantors party thereto, as from time to time amended, supplemented or modified.

First Lien Obligations means (i) all Secured Indebtedness secured by a Lien that has equal priority with, ranks pari passu with, or is otherwise on parity with, or ranks prior to, ahead of, or otherwise senior to, the Lien in favor of the Notes, (ii) all other Obligations (not constituting Indebtedness) of BP I, BP II and the Restricted Subsidiaries under the agreements governing such Secured Indebtedness described in clause (i) to this definition and (iii) all other Obligations of BP I, BP II or any Restricted Subsidiaries in respect of Hedging Obligations or Obligations in respect of cash management services, in each case owing to a Person that is a holder of Indebtedness described in clause (i) or Obligations described in clause (ii) or an Affiliate of such holder at the time of entry into such Hedging Obligations or Obligations in respect of cash management services.

Fixed Charge Coverage Ratio means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that BP I, BP II or any Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the Calculation Date), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; provided, however, that the pro forma calculation of Consolidated Interest Expense shall not give effect to (a) any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued on the date of determination pursuant to the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified and Preferred Stock and (b) the repayment, repurchase or redemption of any Indebtedness, Disqualified Stock or Preferred Stock to the extent such repayment, repurchase or redemption results from the proceeds of Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued pursuant to the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified and Preferred Stock.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations and consolidations (in each case including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that BP I, BP II or any of the Restricted Subsidiaries has determined to make or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date (each, for purposes of this definition, a pro forma event) shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations and consolidations (in each case including the Transactions), discontinued operations and operational changes (and the change of any associated Fixed Charges (calculated in accordance with the proviso in the prior paragraph) and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into BP I or BP II or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of BP I or BP II. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of BP I or BP II as set forth in an Officers Certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions).

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such

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Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of BP I or BP II to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuers may designate.

Fixed Charges means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

Foreign Subsidiary means, with respect to any Person, any Subsidiary of such Person that is not a Domestic Subsidiary of such Person.

GAAP means the International Financial Reporting Standards (IFRS) as in effect (except as otherwise provided in the Indenture in relation to financial reports and other information to be delivered to Holders) on the Reference Date. Except as otherwise expressly provided in the Indenture, all ratios and calculations based on GAAP contained in the Indenture shall be computed in conformity with GAAP. At any time after the Issue Date, BP I, BP II and the Issuers may elect to apply generally accepted accounting principles in the United States (US GAAP) in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean US GAAP as in effect (except as otherwise provided in the Indenture) on the date of such election; provided that any such election, once made, shall be irrevocable and that, upon first reporting its fiscal year results under US GAAP each of BP I, BP II and each of the Issuers shall restate its financial statements on the basis of US GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of US GAAP; provided further, however, that in the event BP I, BP II and the Issuers have made such an election and are thereafter required by applicable law to apply IFRS in lieu of US GAAP (or IFRS is a successor to US GAAP) (any such change, a Required Change), they shall be entitled to apply IFRS, and that upon subsequently reporting its fiscal year results on the basis of IFRS in lieu of US GAAP each of BP I, BP II and each of the Issuers shall restate its financial statements on the basis of IFRS for the fiscal year ending immediately prior to the fiscal year after such Required Change. In the event that BP I, BP II and the Issuers are required to make the Required Change, references herein to GAAP shall be construed to mean IFRS as in effect on the date of such Required Change. The Issuers shall give notice of election to apply US GAAP or requirement to apply IFRS to the Trustee and the Holders.

guarantee means a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

Hedging Obligations means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

holder , *Holder* , *noteholder* or *secured noteholder* means the Person in whose name a Note is registered on the Registrar s books.

IASB means the International Accounting Standards Board and any other organization or agency that shall issue pronouncements regarding the application of GAAP.

including means including without limitation.

Incur means issue, assume, guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

Indebtedness means, with respect to any Person (without duplication):

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP), (d) in respect of Capitalized Lease Obligations or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person; and

(4) to the extent not otherwise included, with respect to BP I, BP II and the Restricted Subsidiaries, the amount then outstanding (i.e., advanced, and received by, and available for use by, BP I, BP II or any Restricted Subsidiaries) under any Receivables Financing (as set forth in the books and records of BP I, BP II or any Restricted Subsidiary and confirmed by the agent, trustee or other representative of the institution or group providing such Receivables Financing) to the extent there is recourse to BP I, BP II or the Restricted Subsidiaries (as that term is understood in the context of recourse and non-recourse receivable financings);

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues or marketing fees; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing; (5) obligations under the Acquisition Documents or the Reynolds Acquisition Documents; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Indenture as a result of accounting for any embedded derivatives created by the terms of such

Indebtedness; and any such amounts that would have constituted Indebtedness under the Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Indenture.

Independent Financial Advisor means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuers, qualified to perform the task for which it has been engaged.

Initial Purchasers means Credit Suisse Securities (USA) LLC and Calyon Securities (USA) Inc.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

Investment Grade Securities means:

(1) securities issued or directly and fully guaranteed or insured by the US, U.K., Canadian, Swiss or Japanese government or any member state of the European Monetary Union or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody s or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency, but excluding any debt securities or loans or advances between and among BP I, BP II and their respective Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

Investments means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers in the ordinary course of business and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of BP I or BP II in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of Unrestricted Subsidiary and the covenant described under Certain Covenants Limitation on Restricted Payments :

(1) Investments shall include the portion (proportionate to BP I s or BP II s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, BP I or BP II, as applicable, shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) BP I s or BP II s Investment in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to BP I s or BP II s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of each Issuer.

Issue Date means November 5, 2009, the date on which the Notes are originally issued.

June 2007 Transactions means the Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of May 11, 2007, prepared by Deloitte & Touche), including borrowings under the Existing Credit Agreement then in effect, the borrowings under a senior subordinated bridge loan and the refinancing of such senior subordinated bridge loan and partial prepayment of the Existing Credit Agreement with the proceeds of the issuance of the Senior Notes and the Senior Subordinated Notes, and the contribution (through holding companies of RGHL) by Rank and certain other investors arranged by Rank of common equity, preferred equity or Subordinated Shareholder Funding to BP I and BP II.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement or any lease in the nature thereof); provided that in no event shall an operating lease be deemed to constitute a Lien.

Local Facility means a working capital facility provided to a Subsidiary of RGHL by a Local Facility Provider in respect of which a Local Facility Certificate has been delivered, and not cancelled, under the terms of (and as such term is defined in) the Existing Intercreditor Agreement and the First Lien Intercreditor Agreement and which constitutes a Secured Local Facility as defined in the Credit Agreement Documents.

Local Facility Agreement means the agreement under which a Local Facility is made available.

Local Facility Provider means a lender or other bank or financial institution that has acceded to the First Lien Intercreditor Agreement, as applicable, and the Existing Intercreditor Agreement as a provider of a Local Facility.

Luxembourg Proceeds Loans means (a) the intercompany loan from the Luxembourg Issuer to BP III, dated November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Notes, (b) the intercompany loan from the Luxembourg Issuer to BP III, dated May 4, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the May 2010 Notes, and (c) the intercompany loan from the Luxembourg Issuer to BP III, dated November 16, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the October 2010 Senior Notes.

Management Group means the group consisting of the directors, executive officers and other management personnel of BP I, BP II or any direct or indirect parent of BP I or BP II, as the case may be, on the Reference Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, was approved by a vote of a majority of the directors of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, then still in office who were either directors on the Reference Date or whose election or nomination was previously so approved and (2) executive officers and other management personnel of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, hired at a time when the directors on the Reference Date together with the directors so approved constituted a majority of the directors of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable.

May 2010 Indenture means the Senior Notes Indenture dated as of May 4, 2010, among Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., Reynolds Group Issuer (Luxembourg) S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

May 2010 Notes means the $1,000.0 million aggregate principal amount of 8.5% Senior Notes due 2018 issued pursuant to the May 2010 Indenture.

Moody s means Moody s Investors Service, Inc. or any successor to the rating agency business thereof.

Net Proceeds means the aggregate cash proceeds received by BP I, BP II or any Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding (i) the assumption by the acquiring person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form and (ii) the aggregate cash proceeds received by BP I, BP II or any Restricted Subsidiaries in respect of the sale of any Non-Strategic Land since the Reference Date in an aggregate amount of up to 25.0 million), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash

Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under either Certain Covenants Asset Sales Asset Sales) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by BP I or BP II as a reserve in accordance with GAAP against any liabilities associated with the asset disposed in such transaction and retained by BP I or BP II after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

Net Profit means, with respect to any Person, the Net Profit (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

New York UCC means the Uniform Commercial Code as from time to time in effect in the State of New York.

Non-Strategic Land means (a) the investment properties in which BP II, BP I or their respective Subsidiaries had an interest at the Reference Date which are a proportion of the real property owned by SIG Combibloc GmbH located at Linnich & Wittenberg in Germany, real property owned by SIG Finanz AG (which was absorbed by SIG Combibloc Group AG (formerly SIG Holding AG)) located at Newcastle in England, real property owned by SIG Moldtec GmbH & Co. KG, real property owned by SIG Schweizerische Industrie-Gesellschaft AG and located at Neuhausen in Switzerland, Beringen in Switzerland, Rafz in Switzerland, Ecublens in Switzerland and Romanel in Switzerland, real property owned by SIG Combibloc Group AG (formerly SIG Holding AG) located in Beringen in Switzerland, real property owned by SIG Euro Holding AG & Co. KG aA located at Waldshut-Tiengen in Germany and real property owned by SIG Real Estate GmbH & Co. KG located at Neunkirchen in Germany and (b) other properties in which BP II, BP I or their respective Subsidiaries have an interest from time to time and which is designated by BP II in an Officers Certificate delivered to the Trustee as not required for the ongoing business operations of BP II, BP I and their respective Subsidiaries.

Note Documents means (a) the Notes, the Notes Guarantees, the Indenture, the Security Documents, the First Lien Intercreditor Agreement, the Existing Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any Note Document described in clause (a) evidencing or governing any Secured Obligations thereunder.

Note Guarantee means any guarantee of the obligations of the Issuers under the Indenture and the Notes by any Person in accordance with the provisions of the Indenture.

Note Guarantors means RGHL, BP I, BP III, the Restricted Subsidiaries that entered into the Indenture on the Escrow Release Date (other than the Issuers) and any Person that subsequently becomes a Note Guarantor in accordance with the terms of the Indenture; provided that upon the release or discharge of such Person from its Note Guarantee in accordance with the Indenture, such Person shall cease to be a Note Guarantor.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; provided that Obligations with respect to the Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Notes.

Obligor means any Issuer or a Note Guarantor.

October 2010 Notes means the October 2010 Senior Secured Notes and the October 2010 Senior Notes.

October 2010 Senior Indenture means the Senior Notes Indenture dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow I Inc., RGHL Escrow Issuer (Luxembourg) I S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

October 2010 Senior Notes means the $1,500.0 million aggregate principal amount of 9.000% Senior Notes due 2019 issued pursuant to the October 2010 Senior Indenture.

October 2010 Senior Secured Indenture means the Senior Secured Notes Indenture dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow I Inc., RGHL Escrow Issuer (Luxembourg) I S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent, Collateral Agent and Registrar, Wilmington Trust (London) Limited as Additional Collateral Agent and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

October 2010 Senior Secured Notes means the $1,500.0 million aggregate principal amount of 7.125% Senior Secured Notes due 2019 issued pursuant to the October 2010 Senior Secured Indenture.

Offer means the public tender offer by RGHL for all publicly held Target Shares.

Offering Circular means the Offering Circular dated October 29, 2009, with respect to the original issuance of the Notes.

Offer Prospectus means the prospectus dated December 22, 2006 and the amendments to the prospectus dated February 2, 2007 and March 13, 2007 as published in the Swiss national press.

Officer of any Person means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person or any other person that the board of directors of such person shall designate for such purpose.

Officers Certificate means a certificate signed on behalf of BP I or, if otherwise specified, an Issuer, by two Officers of BP I or an Issuer, as applicable, or of a Subsidiary or parent of BP I or an Issuer, as applicable, that is designated by BP I or an Issuer, as applicable, one of whom must be the principal executive officer, the principal financial officer, the treasurer, the principal accounting officer or similar position of BP I or the Issuers, as applicable, or such Subsidiary or parent that meets the requirements set forth in the Indenture and is in form and substance satisfactory to the Trustee.

Opinion of Counsel means a written opinion addressed to the Trustee from legal counsel in form and substance satisfactory to the Trustee. The counsel may be an employee of or counsel to BP I or BP II.

Permitted Holders means, at any time, each of (i) Rank, (ii) the Management Group and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of BP I or BP II or any of their Affiliates. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

Permitted Investments means:

(1) any Investment in BP I, BP II or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by BP I, BP II or any Restricted Subsidiary in a Person, including in the Equity Interests of such Person, if as a result of such Investment (a) such Person becomes a Restricted Subsidiary, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or Substantially All of its assets to, or is liquidated into, BP I, BP II or a Restricted Subsidiary;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of Certain Covenants Asset Sales or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; provided that the amount of any such Investment only may be increased as required by the terms of such Investment as in existence on the Issue Date;

(6) advances to officers, directors or employees, taken together with all other advances made pursuant to this clause (6), not to exceed the greater of 5.0 million and 0.25% of Total Assets at any one time outstanding;

(7) any Investment acquired by BP I, BP II or any of the Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by BP I, BP II or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, (b) as a result of a foreclosure by BP I, BP II or any Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default, (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates or (d) in settlement of debts created in the ordinary course of business;

(8) Hedging Obligations permitted under clause (j) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(9) any Investment by BP I, BP II or any Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of 75.0 million and 3.25% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) additional Investments by BP I, BP II or any Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding (after giving effect to the sale or other transfer of an Unrestricted Subsidiary to the extent the proceeds of such sale received by BP I, BP II and the Restricted Subsidiaries consists of cash and Cash Equivalents), not to exceed 75.0 million at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person s purchase of Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II;

(12) Investments the payment for which consists of Equity Interests or Subordinated Shareholder Funding of BP I or BP II (other than Disqualified Stock) or any direct or indirect parent of BP I or BP II, as applicable; provided, however, that such Equity Interests will not increase the amount available for

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Restricted Payments under clauses (2) and (3) of the definition of Cumulative Credit contained in Certain Covenants Limitation on Restricted Payments;

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under Certain Covenants Transactions with Affiliates (except transactions described in clauses (2), (6), (7) and (11)(b) of such paragraph);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with the covenants described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Future Note Guarantors;

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness; provided, however, that any Investment in a Receivables Subsidiary is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer s group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Receivables Financing;

(20) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with BP I, BP II or a Restricted Subsidiary in a transaction that is not prohibited by the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(21) guarantees by BP I, BP II or any Restricted Subsidiaries of operating leases (other than Capitalized Lease Obligations), trademarks, licenses, purchase agreements or of other obligations that do not constitute Indebtedness, in each case entered into by BP I, BP II or any Restricted Subsidiary in the ordinary course of business consistent with past practice;

(22) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) that are otherwise a Permitted Lien or made in connection with a Permitted Lien; and

(23) any Indebtedness permitted under clause (y) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

Permitted Liens means, with respect to any Person:

(1) pledges or deposits by such Person under workmen s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to

secure public or statutory obligations of such Person or deposits of cash or US government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers , warehousemen s and mechanics Liens, in each case for sums not yet overdue by more than 60 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuers, Holdings and the Restricted Subsidiaries taken as a whole;

(4) Liens (i) required by any regulatory or government authority or (ii) in favor of issuers of performance and surety bonds or bid bonds or letters of credit or completion guarantees issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties Incurred in the ordinary course of business and title defects or irregularities that are of a minor nature and which do not in the aggregate materially impair the operation of the business of such Person;

(6) (i) Liens securing an aggregate principal amount of First Lien Obligations not to exceed the maximum principal amount of First Lien Obligations that, as of the date such First Lien Obligations were Incurred, and after giving effect to the Incurrence of such First Lien Obligations and the application of proceeds therefrom on such date, would not cause the Senior Secured First Lien Leverage Ratio of BP I and BP II on a combined basis to exceed 3.50 to 1.00, (ii) Liens securing an aggregate principal amount of First Lien Obligations not to exceed 200.0 million and (iii) Liens securing Indebtedness permitted to be Incurred pursuant to the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; provided, however, that such Lien is junior to, ranks behind or is otherwise subordinated to the Lien securing the Notes pursuant to an Additional Intercreditor Agreement on terms not less favorable to the noteholders, the Collateral Agent and the Trustee than in the Existing Intercreditor Agreement;

(7) Liens existing on the Issue Date, including Liens securing the Senior Notes and the Senior Subordinated Notes (or securing any guarantees in respect thereof) on the Issue Date, but excluding Liens securing the Senior Secured Credit Facilities (which shall be deemed incurred pursuant to clause (6)(i) of this definition) and the Notes (which shall be deemed incurred pursuant to clause (6)(i) of this definition);

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided, however, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by BP I, BP II or any Restricted Subsidiary;

(9) Liens on assets or property at the time BP I, BP II or a Restricted Subsidiary acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into BP I, BP II or any Restricted Subsidiary; provided, however, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; provided, further, however, that the Liens may not extend to any other property

owned by BP I, BP II or any Restricted Subsidiary;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to BP I, BP II or another Restricted Subsidiary permitted to be Incurred in accordance with the covenant described

under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(11) Liens securing Hedging Obligations not Incurred in violation of the Indenture; provided that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person s obligations in respect of bankers acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, subleases, licenses and sublicenses of real property which do not materially interfere with the ordinary conduct of the business of BP I, BP II or any Restricted Subsidiaries;

(14) Liens on assets or property of BP I, BP II or any Restricted Subsidiary securing the Notes or any Note Guarantees (which shall be deemed incurred pursuant to clause (6)(i) of this definition);

(15) Liens in favor of BP I, BP II or any Note Guarantor;

(16) Liens (i) on accounts receivable and related assets of the type specified in the definition of Receivables Financing Incurred in connection with a Qualified Receivables Financing and (ii) on inventory that is equipment used in the product filling process Incurred in connection with a Financing Disposition;

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries and on the Equity Interests of joint ventures securing obligations of such joint ventures;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (7), (8), (9), (10), (15) and (20); provided, however, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Indenture and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement and (z) such new Lien shall not have priority over, rank ahead of, or otherwise be senior pursuant to any intercreditor agreement to the original Lien securing the Indebtedness being refinanced, refunded, extended, renewed or replaced;

(21) Liens on equipment of BP I, BP II or any Restricted Subsidiary granted in the ordinary course of business to BP I s, BP II s or such Restricted Subsidiary s client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens arising by virtue of any statutory or common law provisions relating to banker s liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution;

(25) any interest or title of a lessor under any Capitalized Lease Obligation;

(26) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(27) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(28) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed 15.0 million at any one time outstanding;

(29) Liens arising from Uniform Commercial Code filings regarding operating leases entered into by BP I, BP II and the Restricted Subsidiaries in the ordinary course of business;

(30) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents; and

(31) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets prior to completion.

Person means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Post-Closing Reorganization means the transactions contemplated in that certain Post-Closing Steps dated as of a date prior to the Issue Date, prepared by RGHL.

Pre-Announcement means the pre-announcement of the Offer pursuant to Article 7 et seq. TOO (Voranmeldung) as published by electronic media on December 19, 2006 and in the print media on December 21, 2006.

Preferred Stock means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding-up.

Public Debt means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S of such Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC. The term Public Debt (i) shall not include the Notes (or any Additional Notes) and (ii) for the avoidance of doubt, shall not be construed to include any Indebtedness issued to institutional investors in a direct placement of such Indebtedness that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons (provided that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not to be underwritten), or any commercial bank or similar Indebtedness, Capitalized Lease Obligation or recourse transfer of any financial asset or any other type of Indebtedness Incurred in a manner not customarily viewed as a securities offering.

Purchase Money Note means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from BP I, BP II or any of their respective Subsidiaries to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

Qualified Receivables Financing means any Receivables Financing that meets the following conditions:

(1) the Board of Directors of BP I or BP II shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to BP I or BP II or, as the case may be, the Subsidiary in question;

(2) all sales of accounts receivable and related assets are made at Fair Market Value; and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuers) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of BP I, BP II or any of their respective Subsidiaries (other than a Receivables Subsidiary or the Subsidiary undertaking such Receivables Financing) to secure Indebtedness under the Credit Agreement, Indebtedness in respect of the Notes or any Refinancing Indebtedness with respect to the Notes shall not be deemed a Qualified Receivables Financing.

Rank means (i) Mr. Graeme Richard Hart (or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs or any of his immediate family members), and any of his or their Affiliates (each a Rank Party) and (ii) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Rank Party; provided that in the case of (ii) (x) any Rank Party owns a majority of the voting power of the Voting Stock of BP I and BP II or any direct or indirect parent of BP I or BP II, as applicable, (y) no other Person has beneficial ownership of any of the Voting Stock included in determining whether the threshold set forth in clause (x) has been satisfied and (z) any Rank Party controls a majority of the Board of Directors of each of the BP I and BP II or any direct or indirect parent of BP I or BP II, as applicable.

Rating Agency means (1) each of Moody s and S&P and (2) if Moody s or S&P ceases to rate the Notes for reasons outside of the Issuers control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuers or any direct or indirect parent of an Issuer as a replacement agency for Moody s or S&P, as the case may be.

Receivables Fees means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

Receivables Financing means any transaction or series of transactions that may be entered into by BP I, BP II or any of their respective Subsidiaries pursuant to which BP I, BP II or any of their respective Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of BP I, BP II or any of their respective Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by BP I, BP II or any such Subsidiary in connection with such accounts receivable.

Receivables Repurchase Obligation means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

Receivables Subsidiary means a Wholly Owned Subsidiary of BP I or BP II (or another Person formed for the purposes of engaging in Qualified Receivables Financing with BP I or BP II in which BP I or BP II or any of Subsidiary of BP I or BP II makes an Investment and to which BP I, BP II or any Restricted Subsidiary transfers accounts receivable and related assets) that engages in no activities other than in connection with the financing of accounts receivable of BP I, BP II and their respective Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and that is designated by the Board of Directors of each of the Issuers (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by BP I, BP II or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is with recourse to or obligates BP I, BP II or any Subsidiary of BP I or BP II in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of BP I, BP II or any other Subsidiary of BP I or BP II, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither BP I, BP II nor any other Restricted Subsidiary has any material contract, agreement, arrangement or understanding other than on terms which BP I or BP II reasonably believes to be no less favorable to BP I, BP II or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of any Issuer; and

(c) to which neither BP I, BP II nor any other Restricted Subsidiary has any obligation to maintain or preserve such entity s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of each of the Issuers shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of each of the Issuers giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing conditions.

Reference Date means June 29, 2007.

Registration Rights Agreement means the Registration Rights Agreement related to the Notes, dated as of the Issue Date, among the Issuers, the Note Guarantors and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements between the Issuers and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Issuers to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

Representative means the trustee, agent or representative (if any) for any Indebtedness; provided that if, and for so long as, any Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

Restricted Cash means cash and Cash Equivalents held by BP I, BP II or any Restricted Subsidiaries that are contractually restricted from being distributed or otherwise paid to any Issuer or not available for general corporate purposes, except for such restrictions that are contained in agreements governing Indebtedness permitted under the Indenture.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this Description of the 2009 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP I and BP II.

Reynolds Acquisition means collectively (a) the acquisition by BP III of all the Equity Interests of each of Closure Systems International (Luxembourg) S.àr.l and Reynolds Consumer Products (Luxembourg) S.àr.l and (b) the acquisition by Reynolds Group Holdings Inc., a direct wholly-owned subsidiary of BP III, of all the Equity Interests of Reynolds Consumer Products Holdings Inc.

Reynolds Acquisition Documents means the (i) Stock Purchase Agreement, dated as of October 15, 2009, by and among BP III, Reynolds Group Holdings Inc., a direct wholly-owned subsidiary of BP III, and Reynolds Consumer Products (NZ) Limited, a New Zealand company and (ii) Stock Purchase Agreement, dated as of October 15, 2009, by and between BP III and Closure Systems International (NZ) Limited, a New Zealand company, and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to the Issue Date.

Reynolds Existing Credit Agreement means the Senior Secured Facilities Agreement dated February 21, 2008, among Reynolds Packaging Group (NZ) Limited, Closure Systems International Holdings Inc., Closure Systems International B.V., Reynolds Consumer Products Holdings Inc. and Reynolds Treasury

(NZ) Limited, as borrowers, the Lenders party thereto, Australia and New Zealand Banking Group Limited, BOS International (Australia) Limited, Calyon Australia Limited and Credit Suisse, as joint lead arrangers and underwriters, and Credit Suisse as facility agent and security trustee, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

Reynolds Transactions means the Reynolds Acquisition and the transactions related thereto (including the transactions contemplated in that certain Steps Plan and Structure Chart dated as of a date prior to the Issue Date, prepared by RGHL), including the repayment of the Reynolds Existing Credit Agreement, the issuance and guarantee of, and granting of security in relation to, the Notes, the entering into and borrowings and guarantees under, and granting of security in relation to, the Senior Secured Credit Facilities, the amendment to the Existing Intercreditor Agreement, entry into the First Lien Intercreditor Agreement and the contribution by RGHL of funds in return for common equity of BP I.

Sale/Leaseback Transaction means an arrangement relating to property now owned or hereafter acquired by BP I, BP II or a Restricted Subsidiary whereby BP I, BP II or a Restricted Subsidiary transfers such property to a Person and BP I, BP II or such Restricted Subsidiary leases it from such Person, other than leases between BP I, BP II and a Restricted Subsidiary or between Restricted Subsidiaries.

S&P means Standard & Poor s Ratings Group or any successor to the rating agency business thereof.

SEC means the Securities and Exchange Commission.

Secured Indebtedness means any Indebtedness secured by a Lien.

Secured Obligations means (a) the due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of any Issuer to any of the Secured Parties under the Note Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Issuers under or pursuant to the Note Documents, and (c) the due and punctual payment and performance of all the obligations of each other Obligor under or pursuant to the Note Documents.

Secured Parties means (a) the Holders, (b) the Trustee, (c) the Collateral Agent, (d) the beneficiaries of each indemnification obligation undertaken by any Obligor under any Note Document and (e) the successors and assigns of each of the foregoing.

Securities Act means the US Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Security Documents has the meaning given to such term under Security Brief Summary of Security Documents and Intercreditor Agreements .

Senior Indebtedness means, with respect to any Person, (a) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred; and (b) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in clause (a), unless, in the case of clauses (a) and (b), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such Indebtedness or other Obligations in respect thereof are subordinate in right of payment to the Notes or the Note Guarantee of such Person, as the case may be; provided, however, that Senior Indebtedness shall not include:

(1) any obligation of such Person to BP I, BP II or any Subsidiary of BP I or BP II;

(2) any liability for national, state, local or other taxes owed or owing by such Person;

(3) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof (other than by way of letter of credit, bank guarantee, performance or other bond, or other similar obligation) or instruments evidencing such liabilities);

(4) any Capital Stock;

(5) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(6) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the Indenture.

Senior Note Indenture means the Indenture dated as of June 29, 2007, among BP II, the Senior Note Guarantors from time to time party thereto and as defined therein, the Trustee, as trustee, principal paying agent and transfer agent, BNY Fund Services (Ireland) Limited, as paying agent in Dublin and transfer agent, and Credit Suisse, as security agent.

Senior Notes means the 8% Senior Notes due 2016 issued pursuant to the Senior Note Indenture.

Senior Secured Credit Facilities means the Credit Agreement dated as of November 5, 2009, among others, BP I and Credit Suisse, as administrative agent, the other financial institutions party thereto, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

Senior Secured First Lien Indebtedness means, with respect to any Person at any date, the sum of (A) Indebtedness under the Senior Secured Credit Facilities, (B) Indebtedness under the Notes and (C) to the extent not included in clause (A) or (B), the other First Lien Obligations of such Person and its Restricted Subsidiaries, in each case as of such date (determined on a consolidated basis in accordance with GAAP).

Senior Secured First Lien Leverage Ratio means, with respect to any Person at any date, the ratio of (i) Senior Secured First Lien Indebtedness of such Person less the amount of Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding the Senior Secured First Lien Leverage Calculation Date (as defined below). In the event that such Person or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Senior Secured First Lien Indebtedness subsequent to the commencement of the period for which the Senior Secured First Lien Leverage Ratio is being calculated but prior to the event for which the calculation of the Senior Secured First Lien Leverage Ratio is made (the Senior Secured First Lien Leverage Calculation Date), then the Senior Secured First Lien Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Senior Secured First Lien Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; provided that the Issuers may elect pursuant to an Officers Certificate delivered to the Trustee to treat all or any portion of the commitment under any Senior Secured First Lien Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Senior

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Secured First Lien Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that BP I, BP II or any of the Restricted Subsidiaries has determined to make or have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Senior Secured First Lien Leverage Calculation Date (each, for purposes of this definition, a pro forma event) shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions), discontinued operations and other operational changes (and the change of any associated Senior Secured First Lien Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into BP I, BP II or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Senior Secured First Lien Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuers. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuers as set forth in an Officers Certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions).

Senior Subordinated Note Indenture means the Indenture dated as of June 29, 2007, among BP II, the Senior Note Guarantors from time to time party thereto and as defined therein, the Trustee, as trustee, principal paying agent and transfer agent, BNY Fund Services (Ireland) Limited, as paying agent in Dublin and transfer agent, and Credit Suisse, as security agent.

Senior Subordinated Notes means the 91/2% Senior Subordinated Notes due 2017 issued pursuant to the Senior Subordinated Note Indenture.

Significant Subsidiary means any Restricted Subsidiary that meets any of the following conditions:

(1) BP I s, BP II s and the Restricted Subsidiaries investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year;

(2) BP I s, BP II s and the Restricted Subsidiaries proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or

(3) BP I s, BP II s and the Restricted Subsidiaries equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP I, BP II and the Restricted Subsidiaries on a consolidated basis for the most recently

completed fiscal year.

Similar Business means (a) any businesses, services or activities engaged in by BP I, BP II or any their respective Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by BP I, BP II or any their respective Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

Squeeze-Out means the acquisition pursuant to Article 33 of the Swiss Federal Stock Exchanges and Securities Trading Act (RS954.1) by BP III of the remaining Target Shares after at least 98% of the Target s Voting Stock has been acquired by BP III at the end of the Offer.

Standard Securitization Undertakings means representations, warranties, covenants, indemnities and guarantees of performance entered into by BP I, BP II or any Subsidiary of BP I or BP II which BP I or BP II has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

Stated Maturity means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

Subordinated Indebtedness means (a) with respect to any Issuer, any Indebtedness of such Issuer which is by its terms subordinated in right of payment to the Notes and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

Subordinated Shareholder Funding means, collectively, any funds provided to BP I or BP II by any direct or indirect parent, any Affiliate of any direct or indirect parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; provided, however, that such Subordinated Shareholder Funding:

(1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of BP I or BP II or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Existing Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Existing Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (in each case, prior to the first anniversary of the Stated Maturity of the Notes) or the payment of any amount as a result of any such action or provision, or the exercise of any rights or enforcement action (in each case, prior to the first anniversary of the Stated Maturity of the Notes) is restricted by the Existing Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of BP I, BP II or any of their respective Subsidiaries;

(5) pursuant to its terms or pursuant to the Existing Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to

Holders than those contained in the Existing Intercreditor Agreement as in effect on the Issue Date with respect to the Senior Creditors (as defined therein) in relation to Parentco Debt (as defined therein),

provided, that any event or circumstance that results in such subordinated obligation ceasing to qualify as Subordinated Shareholder Funding, including it ceasing to be held by any direct or indirect parent, any Affiliate of any direct or indirect parent or any Permitted Holder or any Affiliate thereof, shall constitute an Incurrence of such Indebtedness by BP I, BP II or such Restricted Subsidiary.

Subsidiary means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Substantially All when used in relation to assets, means assets of the relevant entity or entities having a market value of at least 75% of the market value of all of the assets of such entity or entities at the date of the relevant transactions.

Target means SIG Combibloc Group AG (formerly SIG Holding AG), a company limited by shares incorporated in Switzerland registered in the Commercial Register of the Canton of Schaffhausen with the register number CH-290.3.004.149-2.

Target Shares means all of the registered shares of Target.

Tax Distributions means any distributions described in clause (12) of the covenant entitled Certain Covenants Limitation on Restricted Payments.

Taxes means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

TOO means the Ordinance of the Swiss Takeover Board on Public Takeover Offers (SR 954.195.1).

Total Assets means the total combined consolidated assets of BP I, BP II and the Restricted Subsidiaries, as shown on the most recent combined balance sheet of BP I and BP II.

Transactions means the June 2007 Transactions and the Reynolds Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Dollar Notes, as of any redemption date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date the redemption notice is mailed (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to October 15, 2012; provided that if the period from the redemption date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Trust Officer means any officer within the corporate trust department of the Trustee, including any managing director, vice president, senior associate or any other officer of the Trustee (1) who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person s knowledge of and familiarity with the particular subject, and (2) who shall have direct responsibility for the administration of the Indenture.

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Trustee means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

Unrestricted Subsidiary means:

(1) any Subsidiary of BP I or BP II that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of RGHL may designate any Subsidiary (other than any Issuer) of BP I or BP II (including any newly acquired or newly formed Subsidiary of BP I or BP II) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, BP I or BP II or any other Subsidiary of BP I or BP II that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of BP I, BP II or any of the Restricted Subsidiaries; provided further, however, that either:

(a) the Subsidiary to be so designated has total consolidated assets of 1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than 1,000, then such designation would be permitted under the covenant described under Certain Covenants Limitation on Restricted Payments.

The Board of Directors of each of the Issuers may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation:

(x) (1) BP I or BP II could Incur 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, or (2) the Fixed Charge Coverage Ratio for BP I, BP II and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors of each of the Issuers shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of each of the Issuers giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing provisions.

US Controlled Foreign Subsidiary means any Person that (A)(i) is a Foreign Subsidiary and (ii) is a controlled foreign corporation within the meaning of Section 957(a) of the Code and the US Treasury Regulations thereunder or (B)(i) is a Domestic Subsidiary and (ii) and has no material assets other than securities of one or more Foreign Subsidiaries (which are controlled foreign corporations within the meaning of Section 957(a) of the Code and the US Treasury Regulations thereunder) of such Domestic Subsidiary and indebtedness issued by such Foreign Subsidiaries.

US Proceeds Loans means (a) the intercompany loan from the US Issuer I to Closure Systems International Holdings Inc., dated as of November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Notes, (b) the intercompany loan from the US Issuer I to Reynolds Group Holdings Inc., dated as of November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Notes, (c) the intercompany loan from the US Issuer I to Reynolds Group Holdings

Inc., dated May 4, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the May 2010 Notes, (d) the intercompany loan from the US Issuer I to Reynolds Acquisition Corporation, dated November 16, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion

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of the proceeds of the October 2010 Notes, and (e) the intercompany loan from the US Issuer I to Pactiv Corporation, dated February 1, 2011, made with a portion of the proceeds from the February 2011 Notes.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Weighted Average Life to Maturity means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

Wholly Owned Restricted Subsidiary is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

Wholly Owned Subsidiary of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares or other similar shares required pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

DESCRIPTION OF THE MAY 2010 NOTES

General

On May 4, 2010, Reynolds Group Issuer (Luxembourg) S.A., a company incorporated as a société anonyme (a public limited liability company) under the laws of Luxembourg (the Luxembourg Issuer), Reynolds Group Issuer LLC, a Delaware limited liability company (the US Issuer I) and Reynolds Group Issuer Inc., a Delaware corporation (the US Issuer II and, together with US Issuer I, the US Issuers and the US Issuers, together with the Luxembourg Issuer, the Issuers), issued $1,000,000,000 aggregate principal amount of Senior Notes (the Notes) pursuant to an Indenture (the Indenture), among themselves and The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and Registrar, which Notes are the joint and several obligations of the Issuers.

The terms of the new Notes are substantially identical to the terms of the old Notes, except that the new Notes are registered under the Securities Act and therefore will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old Notes and will not entitle their holders to registration rights. The new Notes will otherwise be treated as the old Notes for purposes of the Indenture.

The Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Notes. Copies of the Indenture and the Notes are filed as exhibits to the registration statement of which this prospectus forms a part and will be made available to holders of the Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the May 2010 Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of the May 2010 Notes section, (1) we , us and ou mean Beverage Packaging Holdings (Luxembourg) I S.A. (including any successor in interest thereto, BP I) and its Subsidiaries (including the Issuers); and (2) RGHL refers only to Reynolds Group Holdings Limited (including any successor in interest thereto). For all purposes of the Indenture and this Description of the May 2010 Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Notes in this Description of the May 2010 Notes refers to the new Notes and any old Notes that are not exchanged in the exchange offer.

The Notes were incurred pursuant to the fixed charge coverage ratio incurrence test under the 2009 Indenture, the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture. The Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities, the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes is classified as First Lien Obligations under the 2009 Indenture, the October 2010 Secured Indenture, the February 2011 Secured Indenture and August 2011 Secured Indenture, First Priority Lien Obligations under the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture, and Secured Indebtedness under the Indenture, the October 2010 Secured Indenture, the February 2011 Secured Indenture and August 2011 Secured Indenture. The Notes are classified as Senior Indebtedness under the Indenture, the February 2012 Senior Indenture, the August 2011 Secured Indenture, the August 2011 Senior Indenture, the February 2011 Secured Indenture, the February 2011 Senior Indenture, the October 2010 Secured Indenture, the October 2010 Senior Indenture, the 2009 Indenture, the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture. For a description of the Senior Secured Credit Facilities, see Description of Certain Other Indebtedness and Intercreditor Agreements.

Brief Description of the Notes and the Note Guarantees

The Notes are general senior obligations of the Issuers and:

are joint and several obligations of the Issuers;

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of the Issuers (including the 2009 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, and the Senior Secured Credit Facilities);

are effectively subordinated to any Secured Indebtedness of the Issuers (including Indebtedness of such Issuers outstanding under, or with respect to their respective guarantees of, the Senior Secured Credit Facilities, the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes) to the extent of the value of the assets securing such Indebtedness;

are senior in right of payment to any existing and future Subordinated Indebtedness of the Issuers, including the Issuers guarantees of the 2007 Senior Subordinated Notes;

are guaranteed on a senior basis by the Note Guarantors;

are not guaranteed by BP II, a finance Subsidiary of RGHL, and therefore are effectively subordinated to all claims that holders of 2007 Senior Notes and 2007 Senior Subordinated Notes may have against the assets of BP II; and

are subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the Subsidiaries of RGHL (including BP II) that is not a Note Guarantor.

The Note Guarantees are general senior obligations of each Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Note Guarantor;

are effectively subordinated to any Secured Indebtedness of such Note Guarantor (including Indebtedness of such Note Guarantor outstanding under, or with respect to its guarantee of, the Senior Secured Credit Facilities, the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes) to the extent of the value of the assets securing such Indebtedness; and

are senior in right of payment to any Subordinated Indebtedness of such Note Guarantor, including, subject to the discussion below (see Ranking), such Note Guarantor s guarantee of the 2007 Senior Subordinated Notes.

Principal, Maturity and Interest

The Issuers issued an aggregate principal amount of $1,000,000,000 of Notes. The Issuers may issue additional Notes, from time to time (Additional Notes). Any offering of Additional Notes is subject to the covenants described below under the caption Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Liens. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this Description of the May 2010 Notes, references to the Notes include any Additional Notes actually issued.

The Notes will mature on May 15, 2018. Each Note bears interest at 8.500% per annum, payable semi-annually in arrears to holders of record at the close of business on May 1 or November 1 immediately preceding the interest payment date on May 15 and November 15 of each year, commencing November 15, 2010. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

The Notes are issued only in fully registered form, without coupons, in minimum denominations of $100,000 and any integral multiple of $1,000 in excess thereof.

No service charge will be made for any registration of transfer or exchange of Notes, but the Issuers may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency designated by the Issuers (which initially shall be the principal corporate trust office of the Paying Agent).

Paying Agent and Registrar for the Notes

The Issuers maintain a paying agent for the Notes in New York, NY. The Issuers have undertaken under the Indenture that they will ensure, to the extent practicable and permitted by law, that they maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income (the Directive) and currently intend to maintain a paying agent in London, England. The initial Paying Agent is The Bank of New York Mellon, in New York (the Paying Agent).

The Issuers maintain one or more registrars (each, a Registrar) and a transfer agent in New York, NY. The initial Registrar is The Bank of New York Mellon. The initial transfer agent is The Bank of New York Mellon, in New York. The Registrar maintains a register outside the United Kingdom reflecting ownership of Definitive Registered Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Notes on behalf of the Issuers. The transfer agent shall perform the functions of a transfer agent.

The Issuers may change any Paying Agent, Registrar or transfer agent for the Notes without prior notice to the noteholders. BP I or any of its Subsidiaries may act as Paying Agent (other than with respect to Global Notes) or Registrar subject to the requirement to maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the Directive.

Upon written request from the Luxembourg Issuer, the Registrar shall provide the Luxembourg Issuer with a copy of the register to enable it to maintain a register of the Notes at its registered office.

Optional Redemption

In addition to the optional redemption for taxation reasons as described below, on or after May 15, 2014, the Issuers may redeem the Notes at their option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on May 15 of the years set forth below. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Period	Redemption Price
2014	104.250%
2015	102.125%
2016 and thereafter	100.000%

In addition, at any time and from time to time prior to May 15, 2014, the Issuers may redeem the Notes at their option, in whole or in part, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium (as calculated by the Issuers or on behalf of the Issuers by such person as the Issuers shall designate) as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, at any time and from time to time prior to May 15, 2013, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of any Additional Notes) with the net cash proceeds of one or more Equity Offerings (1) by BP I or (2) any direct or indirect parent of BP I, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of BP I or any of its Subsidiaries or used to purchase Capital Stock (other than Disqualified Stock) of any such entity from it, at a redemption price (expressed as a percentage of principal amount thereof) of 108.500%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 65% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of any Additional Notes) remain outstanding after each such redemption; *provided further, however*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days notice mailed to each holder of Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. Without limiting the Issuers obligations under the Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Selection and Notice

If less than all of the Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Notes for redemption or repurchase on a pro rata basis, to the extent practicable and in compliance with the requirements of DTC and any stock exchange on which the applicable Notes are then admitted to trading; *provided*, *however*, that no Note of $100,000 in aggregate principal amount or less, or other than in an integral multiple of $1,000 in excess thereof, shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Note in currency and in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the noteholder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuers are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Notes as described under the captions Change of Control and Certain Covenants Asset Sales. We and our affiliates may at any time and from tin to time purchase Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Notes, at their option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days prior notice (which notice will be irrevocable) to the noteholders mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any, to the date fixed for redemption (a Tax Redemption Date) (subject to the right of noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) and all

Additional Amounts (as defined under Withholding Taxes below), if any, then due or that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers determine in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under Withholding Taxes below) affecting taxation; or

(2) any change in official position regarding the application, administration or interpretation of such laws, treaties, protocols, regulations or rulings (including a holding, judgment or order by a government agency or court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a Change in Tax Law),

any Payor (as defined under Withholding Taxes below), with respect to the Notes or a Note Guarantee is, or on the next date on which any amount would be payable in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to such Payor (including the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through another Payor); *provided* that no Payor shall be required to take any measures that in the Issuers good-faith determination would result in the imposition on such person of any legal or regulatory burden or the incurrence by such person of additional costs, or would otherwise result in any adverse consequences to such person.

In the case of any Payor, the Change in Tax Law must be announced or become effective on or after the date of the Offering Circular. Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts. Prior to the publication, mailing or delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officers Certificate stating that they are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to their right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Payor would be obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officers Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the noteholders.

Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

The foregoing provisions will apply *mutatis mutandis* to the laws and official positions of any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Indenture.

Withholding Taxes

All payments made by any Issuer or any Note Guarantor or any successor in interest to any of the foregoing (each, a Payor) on or with respect to the Notes or any Note Guarantee will be made without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law; *provided*, *however*, that a Payor, in any case, may withhold from any interest payment made on the Notes to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on the Notes were treated as income from sources within the U.S. for U.S. federal income tax purposes. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having power to tax) from or through which payment on the Notes or any

Note Guarantee is made by such Payor, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having the power to tax) in which a Payor that actually makes a payment on the Notes or its Note Guarantee is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1) and (2), a Relevant Taxing Jurisdiction), will at any time be required from any payments made with respect to the Notes or any Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the Additional Amounts) as may be necessary in order that the net amounts received in respect of such payments by the noteholders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the Notes or the Note Guarantees in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed or levied but for the existence of any present or former connection between the relevant noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant noteholder, if such noteholder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;

(2) any Taxes that would not have been so imposed or levied if the holder of the Note had complied with a reasonable request in writing of the Payor (such request being made at a time that would enable such holder acting reasonably to comply with that request) to make a declaration of nonresidence or any other claim or filing or satisfy any certification, information or reporting requirement for exemption from, or reduction in the rate of, withholding to which it is entitled (provided that such declaration of nonresidence or other claim, filing or requirement is required by the applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes);

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest under the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment pursuant to the Directive or any law implementing, or introduced in order to conform to, the Directive;

(6) except in the case of the liquidation, dissolution or winding up of the Payor, any Taxes imposed in connection with a Note presented for payment by or on behalf of a noteholder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the noteholder or (y) where, had the beneficial owner of the Note been the holder of the Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

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The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority of the Relevant Taxing Jurisdiction in accordance with applicable law. Upon request, the Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each relevant taxing authority of each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. If, notwithstanding the efforts of such Payor to obtain such receipts, the same are not obtainable, such Payor will provide the Trustee with other evidence reasonably satisfactory to the applicable Holder.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Notes, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officers Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to noteholders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officers Certificate and such other information as promptly as practicable after the date that is 30 days prior to the payment date, but no less than five (5) Business Days prior thereto, and otherwise in accordance with the requirements of DTC).

Wherever in the Indenture, the Notes, any Note Guarantee or this Description of the May 2010 Notes there is mentioned, in any context:

(1) the payment of principal,

(2) redemption prices or purchase prices in connection with a redemption or purchase of Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the Indenture, or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the noteholders and the Trustee for any such Taxes paid by such noteholders. The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for Tax purposes or any political subdivision or taxing authority or agency thereof or therein.

Agreed Tax Treatment

The Issuers agree, and by acquiring an interest in the Notes each beneficial owner of a Note agrees, to treat for U.S. federal income tax purposes (i) $480,500,000 in principal amount of the Notes as debt of the Luxembourg Issuer (or the sole owner of the Luxembourg Issuer) and $519,500,000 in principal amount of the Notes as debt of the sole owner of the US Issuer I and (ii) interest payments on the portion of the Notes that is treated as debt of the Luxembourg Issuer (or its sole owner) as non-U.S. source interest and interest payments on the portion of the Notes that is treated as debt of the sole owner of the US Issuer I as U.S. source interest; *provided, however,* that this agreement shall cease to apply if the Issuers (i) determine, after taking action that is permissible under the Indenture, that the aforementioned allocation of debt and interest payments is no longer accurate as a result of the changed circumstances, and (ii) promptly notify holders of such determination by sending first-class mail to each holder s registered address (or otherwise completing delivery in accordance with applicable DTC procedures). Notwithstanding the foregoing, any Issuer or any other Payor may withhold from any interest payment made on any Note to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Issuer or other Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on such Note were treated as income from sources within the U.S. for U.S. federal income tax purposes.

Ranking

The indebtedness evidenced by the Notes is Senior Indebtedness of the Issuers, is equal in right of payment to all existing and future Senior Indebtedness of the Issuers and is senior in right of payment to all existing and future Subordinated Indebtedness of the Issuers.

The Indebtedness evidenced by the Note Guarantees is Senior Indebtedness of each Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Note Guarantor and is senior in right of payment to all existing and future Subordinated Indebtedness of such Note Guarantor. BP II, the issuer of the 2007 Senior Notes and the 2007 Senior Subordinated Notes, has not guaranteed and will not guarantee the Notes.

As described in further detail below, in a liquidation, dissolution or bankruptcy of any of the Issuers or the Note Guarantors, holders of Notes and Note Guarantees will be entitled to receive payment in full of the Notes and Note Guarantees before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment (other than certain permitted junior securities) in respect of such guarantees. However, the Notes and Note Guarantees do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture and, among other things, do not have the benefits of delivering payment blockage notices or enforcing the turnover provisions in the indenture governing the 2007 Senior Subordinated Notes.

At December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions (as defined in The Transactions):

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,518 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $35 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of Secured Indebtedness under Local Facilities; and

(2) RGHL and its Subsidiaries had an aggregate principal amount of $17,516 million of unsubordinated Indebtedness outstanding (whether secured or unsecured) consisting of amounts outstanding under the Senior Secured Credit Facilities, the Senior Notes (including the Senior Note Guarantees with respect thereto), the Senior Secured Notes (including the Senior Secured Note Guarantees with respect thereto), the February 2012 Notes (including the guarantees thereto), the August 2011 Senior Secured Notes (including the guarantees thereto), the August 2011 Senior Notes (including the guarantees thereto), the February 2011 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Notes (including the guarantees with respect thereto), the October 2010 Senior Secured Notes (including the guarantees with respect thereto), the October 2010 Senior Notes (including the guarantees with respect thereto), the May 2010 Notes (including the guarantees with respect thereto), the 2009 Notes (including the guarantees with respect thereto) and the 2007 Senior Notes (including the guarantees with respect thereto), Pactiv s outstanding indebtedness, the Local Facilities and certain other local overdraft and local working capital facilities.

In addition, at December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions, RGHL and its Subsidiaries had an aggregate of $568 million of Subordinated Indebtedness outstanding consisting of the 2007 Senior Subordinated Notes (including the guarantees with respect thereto). In addition, RGHL and its Subsidiaries had $25 million of indebtedness outstanding under Local Facilities.

Although the Indenture limits the Incurrence of Indebtedness by BP I, BP II and any Restricted Subsidiaries and the issuance of Disqualified Stock and Preferred Stock by the Issuers and any other Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, BP II and BP I and their respective Subsidiaries (including the Issuers) may be able to Incur substantial amounts of additional Indebtedness. Such Indebtedness may be Secured Indebtedness that has a prior claim to the Notes on the assets securing such Indebtedness. The covenants do not limit the amount of Indebtedness that RGHL may incur. See Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens.

The Notes and Note Guarantees constitute Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture and, as such, in a liquidation, dissolution or bankruptcy of the Issuers or the Note Guarantors, holders of Notes and Note Guarantees will be entitled to receive payment in full of the Notes and Note Guarantees before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment (other than certain permitted junior securities) in respect of such guarantees. However, the Notes and Note Guarantees do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, as do the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes, the Senior Secured Credit Facilities and the 2007 Senior Notes, and holders thereof have more rights than the holders of Notes. Thus, holders of Notes and Note Guarantees are not entitled to the benefit of certain provisions in the 2007 Senior Subordinated Indenture relating to the subordination of the 2007 Senior Subordinated Notes that provide rights only to holders of Designated Senior Indebtedness (as defined in the 2007 Senior Subordinated Indenture), not Senior Indebtedness. Specifically, holders of Designated Senior Indebtedness are granted, among other rights, the benefit of (i) standstill periods, during which no enforcement action may be taken in respect of the 2007 Senior Subordinated Notes until holders of Designated Senior Indebtedness have taken actions to enforce certain claims under their Indebtedness, (ii) payment blockages, which prevent payments from being made in respect of the 2007 Senior Subordinated Notes while certain events of default under the Designated Senior Indebtedness have occurred and are continuing and (iii) turnover provisions, which require the trustee of the 2007 Senior Subordinated Notes to pay over to holders of Designated Senior Indebtedness certain amounts that it has received in respect of the 2007 Senior Subordinated Notes. Because the Notes do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, holders are not entitled to these and other rights in favor of only Designated Senior Indebtedness. Accordingly, the Notes do not have a contractual right to stop payments by the Issuers and Note Guarantors in respect of the 2007 Senior Subordinated Notes and holders of Notes may recover less than holders of Designated Senior Indebtedness as a result thereof.

The Notes and Note Guarantees rank *pari passu* in right of payment with the guarantees of the 2007 Senior Notes, the 2009 Notes (including the guarantees with respect thereto), the October 2010 Senior Secured Notes (including the guarantees with respect thereto), the October 2010 Senior Notes (including the guarantees with respect thereto), the February 2011 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Notes (including the guarantees with respect thereto), the August 2011 Senior Secured Notes (including the guarantees with respect thereto), the August 2011 Senior Notes (including the guarantees with respect thereto), the February 2012 Notes (including the guarantees with respect thereto) and the Senior Secured Credit Facilities (including the guarantees with respect thereto). However, due to a contractual subordination agreement between holders of the 2007 Senior Notes on the one hand, and holders of the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Credit Facilities on the other hand, the guarantees of the 2007 Senior Notes rank junior in right of payment to the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Credit Facilities (and their respective guarantees).

Therefore, in the event that the Issuer or a Note Guarantor becomes a debtor in a United States bankruptcy case and claims under the 2007 Senior Notes, the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of Notes and Note Guarantees will rank *pari passu* in right of payment with the unsecured portion of claims of holders of the guarantees of the 2007 Senior Notes, the 2009 Notes (including the guarantees with respect thereto), the October 2010 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Secured Notes (including the guarantees with respect thereto), the August 201 Senior Secured Notes (including the guarantees with respect thereto) and the Senior Secured Credit Facilities (including the guarantees with respect thereto), even though claims under the guarantees of the 2007 Senior Notes will rank junior in right of payment to claims under the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Credit Facilities (and their respective guarantees). In addition, in such an event, we expect that claims of holders of Notes and Note Guarantees will be senior in right of payment to the claims of holders of the guarantees of the 2007 Senior Subordinated Notes, such that holders of Notes and Note Guarantees, together with holders of any other Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, will be entitled to receive payment in full of such Senior Indebtedness before holders of the guarantees of the 2007 Senior Subordinated Notes are entitled to receive any payment (other than certain permitted junior securities) in respect of such guarantees. However, because of the differences in the rights of the holders of the Notes and the holders of Designated Senior Indebtedness, there can be no guarantee that a bankruptcy court would enforce the contractual subordination of the 2007 Subordinated Notes in favor of the Notes in the same manner as the contractual subordination of the 2007 Subordinated Notes in favor of the 2007 Senior Notes, the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Credit Facilities under such circumstances, and you may therefore recover less in a bankruptcy than if the Notes and Note Guarantees constituted Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture. In addition, bankruptcy laws in the foreign jurisdictions in which we conduct business differ from those of the United States, and we cannot predict how a bankruptcy court in any such jurisdiction would treat such a circumstance. For more information, see Certain Insolvency and Other Local Law Considerations.

The US Issuer I is a finance company with no operations of its own, and its only material assets are the US Proceeds Loans. The US Issuer II is a finance company with no operations of its own, and no material assets. The Luxembourg Issuer is a finance company with no operations of its own, and its only material assets are the Luxembourg Proceeds Loans. Substantially all of the operations of RGHL are conducted through RGHL s Subsidiaries. Unless a Subsidiary is a Note Guarantor or one of the Issuers, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Note Guarantors, including holders of the Notes. The Notes, therefore, are effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of RGHL that are not one of the Issuers or the Note Guarantors (including BP II, which is a finance company). As of December 31, 2011, our various subsidiaries that are not one of the Issuers, the issuer of the 2007 Notes, or Senior Note Guarantors had no more than approximately $10 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $1,577 million of total assets. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Not all of our subsidiaries guarantee the notes, and the notes and the guarantees of the notes will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

Note Guarantees

Each of the Note Guarantors jointly and severally, irrevocably and unconditionally guarantees on a senior basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuers under the Indenture and the Notes, whether for payment of principal of, premium, if any, or interest on the Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Note Guarantors being herein called the Guaranteed Obligations), subject to limitations imposed by applicable local law and certain other limitations imposed by the terms of such guarantees; *provided*, *however*, that in no event shall a US Controlled Foreign Subsidiary be required to guarantee the Guaranteed Obligations. The Note Guarantors include entities organized in the following jurisdictions: Australia, Austria, Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, the United States and the United Kingdom. The Note Guarantees are subject to a variety of local laws that may limit or void the Note Guarantees and certain other limits imposed under the terms of such Note Guarantees. For a description of such limitations and the risks associated with the Note Guarantees, see

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Fraudulent conveyance laws and other limitations on the enforceability of the notes, the guarantees and, as applicable, the related security, may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Insolvency laws could limit your ability to enforce your rights under the notes, the guarantees and, in the case of the senior secured notes, the security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers; and

Certain Insolvency and Other Local Law Considerations.

Such Note Guarantors have agreed, and any of RGHL s Subsidiaries that subsequently become Note Guarantors will agree, to pay, subject to limitations imposed by applicable local law and certain other limitations, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the holders in enforcing any rights under the Note Guarantees.

Any future guarantor of the Senior Secured Credit Facilities, any other Credit Agreement or Public Debt of BP I, BP II or their respective Subsidiaries are only required to provide Note Guarantees as required by the covenant under Certain Covenants Future Note Guarantors. Accordingly, in the future, other Indebtedness, including the Senior Secured Credit Facilities, the February 2012 Notes, the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Notes, the 2009 Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes could have the benefit of guarantees that are not also provided in favor of the Notes. See Ranking.

Each Note Guarantee is a continuing guarantee and shall, subject to the next paragraph:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) be binding upon each such Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

Release of Note Guarantees

A Note Guarantee of a Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Indenture as a result of which such Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Note Guarantor of the Senior Secured Credit Facilities or such other guarantee or other obligation that resulted in the creation of such Note Guarantee, except a

release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Note Guarantor to be an Unrestricted Subsidiary in accordance with the covenants described under Certain Covenants Limitation on Restricted Payments and the definition of Unrestricted Subsidiary;

(4) the Issuers exercise of their legal defeasance option or covenant defeasance option as described under Defeasance, or if the Issuers obligations under the Indenture are discharged in accordance with the terms of the Indenture; or

(5) the transfer or sale of the equity interests of such Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Indenture relating to the release have been complied with. A Note Guarantee of a Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets and RGHL will be released from its Note Guarantee in connection with the substantially concurrent transfer by RGHL of the capital stock of BP I to a newly formed subsidiary of RGHL (Midco); *provided* that (a) Midco is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof or New Zealand; (b) Midco expressly assumes or replaces all the obligations of RGHL under the Indenture, the Registration Rights Agreement, the Notes, and RGHL s Note Guarantee pursuant to a supplemental or replacement indenture or other documents or instruments in form reasonably satisfactory to the Trustee; (c) immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness which becomes an obligation of Midco as a result of such transaction as having been Incurred by Midco at the time of such transaction), no Default shall have occurred and be continuing and the Issuers would be able to Incur an additional 1.00 of Indebtedness pursuant to the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (d) RGHL delivers to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such transfer and such supplemental indenture comply with the Indenture (and in giving such opinion such counsel may rely on an Officers Certificate as to any matters of fact); and (e) RGHL delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of RGHL approving such transaction and set forth in an Officers Certificate certifying that such transaction complies with the requirements of the Indenture.

Upon any occurrence specified in the two preceding paragraphs, the Trustee shall, at the instruction of and at the cost of the Issuers, execute any documents reasonably requested of it to evidence such release.

Addition of Note Guarantors

Under certain circumstances, additional Restricted Subsidiaries may be added as Note Guarantors (see Certain Covenants Future Note Guarantors).

Change of Control

Upon the occurrence of any of the following events (each, a Change of Control), each holder will have the right to require the Issuers to repurchase all or any part of such holder s Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuers have previously elected to redeem all of the Notes as described under Optional Redemption:

(1) the sale, lease or transfer, in one or a series of transactions, of all or Substantially All the assets of BP II or BP I and its Subsidiaries, taken as a whole, to a Person other than, directly or indirectly, any of the Permitted Holders;

(2) BP I becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger,

consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the US Issuer I, the US Issuer II, the Luxembourg Issuer, BP I or BP II or any direct or indirect parent of BP I or BP II; or

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(3) RGHL ceases to own, directly or indirectly, 100% of the Capital Stock of BP I, BP II, BP III or any of the Issuers, other than directors qualifying shares or other de minimis shareholdings required by law.

In the event that at the time of such Change of Control the terms of any Bank Indebtedness restrict or prohibit the repurchase of Notes pursuant to this covenant, then prior to the mailing (or delivery) of the notice to holders provided for in the immediately following paragraph but in any event within 45 days following any Change of Control, the Issuers shall:

(1) repay in full all such Bank Indebtedness or, if doing so will allow the purchase of Notes, offer to repay in full all such Bank Indebtedness and repay the Bank Indebtedness of each lender that has accepted such offer; or

(2) obtain the requisite consent under the agreements governing such Bank Indebtedness to permit the repurchase of the Notes as provided for in the immediately following paragraph.

The Issuers failure to comply with such provisions or the provisions of the immediately following paragraph shall constitute an Event of Default described in clause (4) and not in clause (2) under Defaults below.

Within 45 days following any Change of Control, except to the extent that the Issuers have exercised their right to redeem the Notes by delivery of a notice of redemption as described under Optional Redemption, or all conditions to such redemption have been satisfied or waived, the Issuers shall mail (or otherwise deliver in accordance with applicable DTC procedures) a notice (a Change of Control Offer) to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuers to repurchase such holder s Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the Change of Control Payment);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or delivered) (the Change of Control Payment Date);

(4) the instructions determined by the Issuers, consistent with this covenant, that a holder must follow in order to have its Notes purchased; and

(5) if applicable and such notice is mailed prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Notes or portions of the Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuers.

The Paying Agent will promptly mail (or otherwise deliver in accordance with applicable DTC procedures) to each holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Notes a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; provided, however, that each such new Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof.

Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Notes issued and outstanding.

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between RGHL, the Issuers and the Initial Purchaser. None of RGHL, BP I, BP II and the Issuers has any present intention to engage in a transaction involving a Change of Control, although it is possible that they could decide to do so in the future. Subject to the limitations discussed below, RGHL, BP I, BP II or any of the Restricted Subsidiaries, including the Issuers, could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the capital structure or credit rating of RGHL or its Restricted Subsidiaries, including the Issuers.

The occurrence of events that would constitute a Change of Control would require repayment of all amounts outstanding under the Senior Secured Credit Facilities and would trigger the requirement that we offer to purchase the 2009 Notes, the October 2010 Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes at 101% of the principal amount thereof. Agreements and instruments with respect to future indebtedness that RGHL or any of its Subsidiaries may incur may contain prohibitions on certain events that would constitute a Change of Control or require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuers to repurchase the Notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuers. Finally, the Issuers ability to pay cash to the holders upon a repurchase may be limited by the Issuers then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. Neither RGHL nor any of its Restricted Subsidiaries are required to advance us funds to make any Change of Control Payment. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the indentures governing the notes and similar requirements in the agreements governing our other indebtedness.

The provisions under the Indenture relating to the Issuers obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of outstanding Notes.

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Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Indenture provides that:

(1) each of BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) each of BP I and BP II will not permit any Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock;

provided, *however*, that BP I and BP II may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis for the most recently ended four full fiscal quarters for which combined internal financial statements of BP I and BP II are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not the Issuers or Note Guarantors shall not exceed 10.0 million at any one time outstanding.

The foregoing limitations will not apply to (collectively, Permitted Debt):

(a) the Incurrence by BP I, BP II or any Restricted Subsidiaries of Indebtedness under (i) the Credit Agreement and the issuance and creation of letters of credit and bankers acceptances thereunder (with letters of credit and bankers acceptances being deemed to have a principal amount equal to the face amount thereof) in an aggregate principal amount not to exceed (A) $1,835 million of term loan facilities, plus (B) 250 million of term loan facilities, plus (C) $120 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities, plus (D) 80 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities and (ii) Local Facility Agreements in an aggregate principal amount not to exceed 40.0 million;

(b) the Incurrence by the Issuers and the Note Guarantors of Indebtedness represented by the Notes (not including any Additional Notes) and the Note Guarantees;

(c) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b));

(d) Indebtedness (including Capitalized Lease Obligations) Incurred by BP I, BP II or any Restricted Subsidiaries, Disqualified Stock issued by BP I, BP II or any Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) and Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that serves to refund, refinance or defease any of the foregoing; provided that the aggregate amount of all Indebtedness outstanding pursuant to this clause (d) shall not at any time exceed the greater of 50.0 million and 2.0% of Total Assets;

(e) Indebtedness Incurred by BP I, BP II or any Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability

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insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers compensation claims;

(f) Indebtedness arising from agreements of BP I, BP II or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of BP I or BP II in accordance with the terms of the Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of BP I or BP II to a Restricted Subsidiary; *provided* that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the obligations of the Issuers under the Notes or the obligations of BP I under its Note Guarantee, as applicable; *provided further however*, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or a Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (g);

(h) shares of Preferred Stock of a Restricted Subsidiary issued to BP I, BP II or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to BP I, BP II or a Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (h);

(i) Indebtedness of a Restricted Subsidiary to BP I, BP II or another Restricted Subsidiary; provided that except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, if a Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor, such Indebtedness shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the Note Guarantee of such Note Guarantor; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (i);

(j) Hedging Obligations that are Incurred not for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(k) obligations in respect of performance, bid, appeal and surety bonds and completion guarantees provided by BP I, BP II or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(l) (i) any guarantee by BP I, BP II or a Restricted Subsidiary of Indebtedness or other obligations of BP I, BP II or any Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by BP I, BP II or such Restricted Subsidiary was not in violation of the terms of the Indenture or (ii) Indebtedness of BP I, BP II or any Restricted

Subsidiary arising by reason of any Lien permitted to be granted or to subsist pursuant to Certain Covenants Limitation on Liens and so long as the Indebtedness secured by such Lien was not incurred in violation of the Indenture;

(m) the Incurrence by BP I, BP II or a Restricted Subsidiary of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary, in either case, that serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant or clauses (b), (c), (m) and (n) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premium), defeasance costs and fees in connection therewith (subject to the following proviso, Refinancing Indebtedness) prior to its respective maturity; *provided, however,* that such Refinancing Indebtedness will be Refinancing Indebtedness if and to the extent it:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date one year following the last maturity date of any Notes then outstanding were instead due on such date one year following the last date of maturity of the Notes (*provided* that any Refinancing Indebtedness Incurred in reliance on this subclause (1)(y) does not provide for any scheduled principal payments prior to the maturity date of the Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced or defeased);

(2) has a Stated Maturity that is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded, refinanced or defeased or (y) 91 days following the maturity date of the Notes;

(3) refinances (a) Indebtedness junior to the Notes or any Note Guarantee, such Refinancing Indebtedness is junior to the Notes or the Note Guarantee of such Note Guarantor, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(4) does not include (x) Indebtedness of BP I, BP II or a Restricted Subsidiary that is not one of the Issuers or a Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Note Guarantor, or (y) Indebtedness of BP I, BP II or a Restricted Subsidiary that refinances, refunds or defeases Indebtedness of an Unrestricted Subsidiary;

(n) Indebtedness, Disqualified Stock or Preferred Stock of (x) BP I, BP II or a Restricted Subsidiary Incurred to finance an acquisition, merger, consolidation or amalgamation or (y) Persons that constitutes Acquired Indebtedness; *provided*, *however*, that after giving effect to such acquisition or merger, consolidation or amalgamation, BP I or BP II would be permitted to Incur at least 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(o) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not with recourse to BP I, BP II or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of its Incurrence;

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(q) Indebtedness of BP I, BP II or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(r) Indebtedness representing deferred compensation or other similar arrangements to employees and directors of BP I, BP II or any Restricted Subsidiary Incurred in the ordinary course of business or in connection with the Transactions (including as a result of the cancellation or vesting of outstanding options and other equity-based awards in connection therewith), an acquisition or any other Permitted Investment;

(s) Indebtedness of BP I, BP II or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(t) Indebtedness Incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures of BP I, BP II or any Restricted Subsidiary not in excess, at any one time outstanding, of the greater of 15.0 million and 0.5% of Total Assets at the time of Incurrence;

(u) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (u), does not exceed the greater of 100.0 million and 4.25% of Total Assets at the time of Incurrence (subject to the third paragraph of this covenant, it being understood that any Indebtedness Incurred under this clause (u) shall cease to be deemed Incurred or outstanding for purposes of this clause (u) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which BP I, BP II or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (u));

(v) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder and Refinancing Indebtedness thereof in an aggregate principal amount or liquidation preference not exceeding at any one time outstanding 200.0% of the net cash proceeds received by BP I, BP II and the Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of BP I, BP II or any direct or indirect parent entity of BP I or BP II (which proceeds are contributed to BP I, BP II or a Restricted Subsidiary) or cash contributed to the capital of BP I or BP II (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, BP I, BP II or any of their respective Subsidiaries and other than in connection with the Transactions) as determined in accordance with clauses (2) and (3) of the definition of Cumulative Credit to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of Certain Covenants Limitation on Restricted Payments or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(w) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely BP I, BP II and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into in the ordinary course of business and netting, overdraft protection and other arrangements among BP I, BP II, any Restricted Subsidiary and a bank arising under standard business terms of such bank at which BP I, BP II or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar arrangement;

(x) Indebtedness consisting of Indebtedness issued by BP I, BP II or a Restricted Subsidiary to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of

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Equity Interests of BP I, BP II or any of their direct or indirect parent companies to the extent described in clause (4) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments;

(y) Indebtedness of BP I or any of its Restricted Subsidiaries consisting of obligations (including guarantees thereof) to repurchase equipment sold to customers or third party leasing companies pursuant to the terms of sale of such equipment in the ordinary course of business;

(z) without limiting clause (a) of this paragraph, Indebtedness under local overdraft and other local working capital facilities in an aggregate principal amount not to exceed 85.0 million; and

(aa) Indebtedness in the form of deferred payment obligations under any arrangement permitted by clause (12) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments.

Notwithstanding the foregoing, none of the Issuers and any Note Guarantors will Incur any Indebtedness as any Permitted Debt if the proceeds thereof are used, directly or indirectly, to refinance any Subordinated Indebtedness of such Issuer or any Note Guarantor unless such Indebtedness shall be subordinated to the Notes or the applicable Note Guarantee to at least the same extent as such Subordinated Indebtedness.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (a) through (aa) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuers shall, in their sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant; *provided, however,* that (x) all Indebtedness under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred pursuant to clause (a)(i) of Permitted Debt and the Issuers shall not be permitted to reclassify all or any portion of such Indebtedness under the Credit Agreement outstanding on the Issue Date and (y) the Issuers shall not be permitted to reclassify all or any portion of any Secured Indebtedness Incurred as Permitted Debt unless at the time of such reclassification the Issuers could secure such Secured Indebtedness pursuant to clause (6) of the definition of Permitted Liens; and

(2) the Issuers will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above, and in that connection shall be entitled to treat a portion of such Indebtedness as having been Incurred under the first paragraph above and thereafter the remainder of such Indebtedness having been Incurred under the second paragraph above.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with this covenant, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of

Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreements.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that BP I, BP II and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

For all purposes of the Indenture, (1) unsecured Indebtedness will not be treated as subordinated or junior to Secured Indebtedness merely because it is unsecured, (2) Senior Indebtedness will not be treated as subordinated or junior to any other Senior Indebtedness merely because it has junior priority with respect to the same collateral,
(3) Indebtedness of such Person which is not guaranteed will not be treated as subordinated or junior to Indebtedness that is guaranteed merely because of such guarantee and (4) Indebtedness under any Secured Indebtedness will not be deemed to be subordinated because of the application of waterfall or other payment-ordering or collateral-sharing provisions affecting any such Secured Indebtedness.

Limitation on Restricted Payments. The amount of our Cumulative Credit (as defined below) is calculated based on our net income since, and other transactions occurring from, November 5, 2009 or October 1, 2009, as applicable.

The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of BP I s, BP II s or any Restricted Subsidiaries Equity Interests or pay any amounts in respect of Subordinated Shareholder Funding, including any payment made in connection with any merger, amalgamation or consolidation involving BP I or BP II (other than (A) dividends or distributions by BP I or BP II payable solely in Equity Interests (other than Disqualified Stock) of BP I or BP II or in Subordinated Shareholder Funding of BP I or BP II; (B) dividends or distributions payable to BP I, BP II or a Restricted Subsidiary or (C) in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, such dividends or distributions paid to minority shareholders, provided that BP I, BP II or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities (except to the extent non pro rata payments of such dividends or distributions are required by law or under the terms of any agreement in effect on the Issue Date));

(2) purchase or otherwise acquire or retire for value any Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II, in each case held by Persons other than BP I, BP II or a Restricted Subsidiary;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Shareholder Funding, any Subordinated Indebtedness (including the 2007 Senior Subordinated Notes) of BP I, BP II, the Issuers or any Note Guarantor (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated

Indebtedness (including the 2007 Senior Subordinated Notes) in anticipation of satisfying a sinking fund obligation, principal installment or final

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maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) any Subordinated Indebtedness between any of BP I, BP II and any Restricted Subsidiary or between any of the Restricted Subsidiaries); or

(4) make any Restricted Investment (all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as Restricted Payments), unless, at the time of such Restricted Payment:

(a) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, BP I or BP II could Incur 1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by BP I, BP II and the Restricted Subsidiaries after the RP Reference Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (1), (4) (only to the extent of one-half of the amounts paid pursuant to such clause), (6) and (8) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the amount equal to the Cumulative Credit.

Cumulative Credit means the sum of (without duplication):

(1) 50% of the Consolidated Net Profit of BP I and BP II for the period (taken as one accounting period, the *Reference Period*) from the beginning of the fiscal quarter during which the RP Reference Date occurred to the end of the most recently ended fiscal quarter for which combined internal financial statements of BP I and BP II are available at the time of such Restricted Payment (or, in the case such Consolidated Net Profit for such period is a deficit, minus 100% of such deficit); *plus*

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value of property other than cash received by BP I or BP II after the RP Reference Date (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock) from the issue or sale of Equity Interests of BP I or BP II or Subordinated Shareholder Funding to BP I or BP II (excluding Refunding Capital Stock (as defined below), Designated Preferred Stock, Excluded Contributions, and Disqualified Stock and other than in connection with the Transactions), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary); plus

(3) 100% of the aggregate amount of contributions to the capital of BP I or BP II received in cash and the Fair Market Value of property other than cash received after the RP Reference Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, and Disqualified Stock and other than contributions (x) to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock or (y) made in connection with the Transactions); plus

(4) the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of BP I, BP II or any Restricted Subsidiary thereof issued after the RP Reference Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in or Subordinated Shareholder Funding of BP I or BP II (other than Disqualified Stock) or any direct or indirect parent of BP I or BP II (provided in the case of any parent, such

Indebtedness or Disqualified Stock is retired or extinguished); *plus*

(5) 100% of the aggregate amount received after the RP Reference Date by BP I, BP II or any Restricted Subsidiary in cash and the Fair Market Value of property other than cash received by BP I, BP II or any Restricted Subsidiary:

(A) from the sale or other disposition (other than to BP I, BP II or a Restricted Subsidiary and other than in connection with the Transactions) of Restricted Investments made after the Reference Date by BP I, BP II or the Restricted Subsidiaries and from repurchases and redemptions after the RP Reference Date of such Restricted Investments from BP I, BP II or the Restricted Subsidiaries by any Person (other than BP I, BP II or any Restricted Subsidiaries) and from repayments of loans or advances and releases of guarantees, which constituted Restricted Investments made after the RP Reference Date (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the succeeding paragraph),

(B) from the sale (other than to BP I, BP II or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary, or

(C) from a distribution or dividend from an Unrestricted Subsidiary; plus

(6) in the event any Unrestricted Subsidiary of BP I or BP II has been redesignated as a Restricted Subsidiary after the RP Reference Date or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, BP I, BP II or a Restricted Subsidiary after the RP Reference Date, the Fair Market Value (and, if such Fair Market Value exceeds 20.0 million, such Fair Market Value shall be set forth in a written resolution of a majority of the Board of Directors of BP I) of the Investment of BP I or BP II in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after taking into account any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the next succeeding paragraph or constituted a Permitted Investment).

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests *(Retired Capital Stock)* or Subordinated Indebtedness (including the 2007 Senior Subordinated Notes) or Subordinated Shareholder Funding of BP I, BP II, any direct or indirect parent of BP I, BP II or any Restricted Subsidiary in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests or Subordinated Shareholder Funding of BP I, BP II or any direct or indirect parent of BP I or BP II or contributions to the equity capital of BP I or BP II (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of BP I or BP II) (collectively, including any such contributions, *Refunding Capital Stock*), and

(b) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of BP I or BP II) of Refunding Capital Stock;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness (including the 2007 Senior Subordinated Notes) of BP I, BP II or any Note Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of BP I, BP II or a Note Guarantor which is Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, and any defeasance costs, fees and expenses Incurred in connection therewith);

(b) such Indebtedness is subordinated to the Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value;

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired or (y) 91 days following the maturity date of the Notes; and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date one year following the last maturity date of any Notes then outstanding were instead due on such date one year following the last date of maturity of the Notes (*provided* that in the case of this subclause (d)(y), such Indebtedness does not provide for any scheduled principal payments prior to the maturity date of the Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced or defeased);

(4) a Restricted Payment to pay for the purchase, repurchase, retirement, defeasance, redemption or other acquisition for value of Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II held by any future, present or former employee, director or consultant of BP I, BP II or any direct or indirect parent of BP I or BP II or any Subsidiary of BP I or BP II pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided, however*, that the aggregate Restricted Payments made under this clause (4) do not exceed 2.5 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment (without giving effect to the following proviso) of 5.0 million in any calendar year); *provided further, however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by BP I, BP II or any Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of BP I, BP II or any direct or indirect parent of BP I or BP II (to the extent contributed to BP I or BP II) to members of management, directors or consultants of BP I, BP II and the Restricted Subsidiaries or any direct or indirect parent of BP I or BP II that occurs after the Reference Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (2) of the first paragraph under Certain Covenants Limitation on Restricted Payments); *plus*

(b) the cash proceeds of key man life insurance policies received by BP I, BP II or any direct or indirect parent of BP I or BP II (to the extent contributed to BP I or BP II) or the Restricted Subsidiaries after the Reference Date;

provided that the Issuers may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of BP I, BP II or any Restricted Subsidiaries issued or Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

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(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date, (b) a Restricted Payment to any direct or indirect parent of BP I or BP II, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of BP I or BP II issued after the Reference Date and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; *provided, however*, that, (x) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, BP I and BP II would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 on a combined basis and (y) the aggregate amount of dividends declared and paid pursuant to (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by BP I and BP II from any such sale or issuance of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date or contributed by Subordinated Shareholder Funding to BP I or BP II after the Reference Date;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed the greater of 25.0 million and 1.0% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) the payment of dividends on BP I s or BP II s ordinary shares (or a Restricted Payment to any direct or indirect parent of BP I or BP II to fund the payment by such direct or indirect parent of BP I or BP II of dividends on such entity s ordinary shares) of up to 6% per annum of the net proceeds received by BP I or BP II from any public offering of ordinary shares of BP I or BP II or any of their direct or indirect parents;

(9) Restricted Payments that are made with Excluded Contributions;

(10) other Restricted Payments in an aggregate amount not to exceed 50.0 million at the time made;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to BP I, BP II or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(12) Restricted Payments (a) to any direct or indirect parent of BP I or BP II in amounts required for such parent to pay national, state or local income taxes (as the case may be) imposed directly on such parent to the extent such income taxes are attributable to the income of BP I, BP II and the Restricted Subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which BP I, BP II or the Restricted Subsidiaries are members) or (b) to RGHL or any of its Affiliates relating to the transfer or surrender, in each case on arm s-length terms, of any tax losses or other tax assets that can be used by BP I, BP II or a Restricted Subsidiary;

(13) the payment of dividends, other distributions or other amounts or the making of loans or advances or any other Restricted Payment, if applicable:

(a) in amounts required for any direct or indirect parent of BP I or BP II, if applicable, to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers, directors and employees of any direct or indirect parent of BP I or BP II, if applicable, and general corporate operating and overhead expenses (including without limitation compliance and reporting expenses) of any direct or indirect parent of BP I or BP II, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of BP I or BP II, if applicable, and their respective Subsidiaries; *provided* that for so long as such direct or indirect parent owns no material assets other than Equity Interests in BP I or BP II or any direct or indirect parent of BP I or BP II, such fees and expenses shall be deemed for purposes of this clause 13(a) to be attributable to such ownership or operation;

(b) in amounts required for any direct or indirect parent of BP I or BP II, if applicable, to pay interest and principal on Indebtedness the proceeds of which have been contributed to BP I, BP II or any Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, BP I or BP II Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; and

(c) in amounts required for any direct or indirect parent of BP I or BP II to pay fees and expenses, other than to Affiliates of BP I or BP II, related to any unsuccessful equity or debt offering of such parent.

(14) Restricted Payments used to fund the Transactions, the 2009 Post-Closing Reorganization and the payment of fees and expenses incurred in connection with the Transactions and the 2009 Post-Closing Reorganization (including as a result of the cancellation or vesting of outstanding options and other equity-based awards in connection therewith) as described in the Offering Circular (including payments made pursuant to the Acquisition Documents, the Reynolds Acquisition Documents or the Evergreen Acquisition Documents, whether payable on the Issue Date or thereafter) or owed by BP I or BP II or any direct or indirect parent of BP I or BP II, as the case may be, or any Restricted Subsidiary to Affiliates for services rendered or goods sold, in each case to the extent permitted by the covenant described under Transactions with Affiliates;

(15) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(16) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(17) payments of cash, or dividends, distributions, advances or other Restricted Payments by BP I, BP II or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(18) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness constituting Acquired Indebtedness or any other Subordinated Indebtedness (including the 2007 Senior Subordinated Notes) pursuant to the provisions similar to those described under the captions Change of Control and Certain Covenants Asset Sales, provided that all Notes tendered by holders of the Notes in connection with a Change of Control or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value in accordance with the terms of the Indenture;

(19) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with a consolidation, amalgamation, merger or transfer of all or Substantially All of the assets of BP I, BP II and the Restricted Subsidiaries, taken as a whole, that complies with the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets; *provided* that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuers shall have made a Change of Control Offer (if required by the Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(20) Restricted Payments in an amount not to exceed an aggregate of 25.0 million made with the proceeds of the sale of Non-Strategic Land in accordance with the covenant described under Certain Covenants Asset Sales;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10), (11) and (20), no Default shall have occurred and be continuing or would occur as a consequence thereof.

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BP II does not have any Subsidiaries and all of BP I s Subsidiaries, including the Issuers, are Restricted Subsidiaries. BP I and BP II will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of *Unrestricted Subsidiary*. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by BP I, BP II and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of *Investments*. Such designation will only be permitted if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Dividend and Other Payment Restrictions Affecting Subsidiaries. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to BP I, BP II or any Restricted Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to BP I, BP II or any Restricted Subsidiaries;

(b) make loans or advances to BP I, BP II or any Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to BP I, BP II or any Restricted Subsidiaries; except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Secured Credit Facilities, Local Facilities, local overdraft and other local working capital facilities, the 2009 Indenture, 2007 Senior Notes Indenture, the 2007 Senior Subordinated Notes Indenture, the 2007 Intercreditor Agreement, the First Lien Intercreditor Agreement, the 2009 Security Documents and the 2007 Notes Security Documents;

(2) the Indenture, the Notes (and Note Guarantees thereof), any Currency Agreement, any agreement or instrument creating a Hedging Obligation and any other intercreditor agreements;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by BP I, BP II or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) any Restricted Investment not prohibited by the covenant described under Certain Covenants Limitation on Restricted Payments and any Permitted Investment;

(7) restrictions on cash or other deposits or net worth imposed by regulatory authorities (including with respect to tax obligations and value-added taxes), in connection with deductions made for tax, pension, national insurance and other similar purposes or for the benefit of customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements, similar agreements relating solely to such joint venture and other similar agreements entered into in the ordinary course of business;

(9) Capitalized Lease Obligations and purchase money obligations for property acquired in the ordinary course of business;

(10) customary provisions contained in leases (other than financing or similar leases), licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date by the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Secured Credit Facilities as of the Issue Date (as determined in good faith by the Issuers) or (ii) if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuers) and either (x) the Issuers determine that such encumbrance or restriction will not materially affect the Issuers ability to make principal or interest payments on the Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) any encumbrances or restrictions of the type referred to in clause (c) above existing by reason of any Lien permitted under the covenant described under Certain Covenants Liens;

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good-faith judgment of the Issuers, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing; and

(15) restrictions on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on ordinary shares shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of (or remedy bars in respect of) loans or advances made to BP I, BP II or a Restricted Subsidiary to other Indebtedness Incurred by BP I, BP II or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Asset Sales. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) BP I, BP II or any Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by BP I, BP II or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that for purposes of clause (y) the amount of:

(a) any liabilities (as shown on BP I s, BP II s or such Restricted Subsidiary s most recent balance sheet or in the notes thereto) of BP I, BP II or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets,

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(b) any notes or other obligations or other securities or assets received by BP I, BP II or such Restricted Subsidiary from such transferee that are converted by BP I, BP II or such Restricted Subsidiary into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by BP I, BP II or any Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 30.0 million and 1.25% of Total Assets at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 12 months after BP I, BP II or any Restricted Subsidiary s receipt of the Net Proceeds of any Asset Sale, BP I, BP II or such Restricted Subsidiary may apply the Net Proceeds from such Asset Sale, at its option:

(1) to repay (a) Obligations constituting Secured Indebtedness (and, if such Indebtedness repaid is under a revolving credit facility, to correspondingly reduce commitments with respect thereto), (b) Obligations constituting Senior Indebtedness (other than Secured Indebtedness) (and, if such Indebtedness repaid is under a revolving credit facility, to correspondingly reduce commitments with respect thereto); *provided, however,* that if any such Senior Indebtedness described in this clause (b) other than the Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Notes through open-market purchases (provided that such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, the pro rata principal amount of Notes) or (c) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Note Guarantor, in the case of each of clauses (a), (b) and (c), other than Indebtedness owed to RGHL or its Affiliates;

(2) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of BP I if it is not already a Restricted Subsidiary of BP I), assets, or property or capital expenditures (including refurbishments), in each case used or useful in a Similar Business; or

(3) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of BP I), properties or assets that replace the properties and assets that are the subject of such Asset Sale.

In the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; *provided* that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, BP I, BP II or such Restricted Subsidiary enters into another binding commitment (a Second Commitment) within nine months of such cancellation or termination of the prior binding commitment; *provided further* that BP I, BP II or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale.

Pending the final application of any such Net Proceeds, BP I, BP II or such Restricted Subsidiary may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the immediately two preceding paragraphs (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds 20.0 million, the Issuers shall make an offer to all holders of Notes (and, at the option of the Issuers, to holders of any Senior

Indebtedness of an Issuer or Note Guarantor or any other Indebtedness of a Restricted Subsidiary of BP I that is not an Obligor) (an Asset Sale Offer) to purchase on a pro rata basis the maximum principal amount of Notes (and such Senior Indebtedness and other Indebtedness), that is at least $100,000 and an integral multiple of $1,000 that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Senior Indebtedness or other Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest and additional interest, if any (or, in respect of such Senior Indebtedness or other Indebtedness, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness or other Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture. The Issuers will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceed 20.0 million by mailing (or otherwise delivering in accordance with applicable DTC procedures) the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Notes (and such Senior Indebtedness or other Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, BP I, BP II or such Restricted Subsidiary may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes (and such Senior Indebtedness or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero. An Asset Sale Offer need not be made by the Issuers until the date that is 12 months after the date on which an Asset Sale is made, the proceeds of which, in aggregate with all funds not applied in accordance with this covenant or the subject of an Asset Sale Offer, exceed 20.0 million.

The Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

If more Notes (and such Senior Indebtedness or other Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuers are required to purchase, selection of such Notes for purchase will be made by the Trustee on a pro rata basis, to the extent practicable and in compliance with the requirements of DTC, and any stock exchange on which the Notes are then admitted to trading; *provided* that no Notes of $100,000 or less shall be purchased in part. Selection of such Senior Indebtedness or other Indebtedness will be made pursuant to the terms of such Senior Indebtedness or other Indebtedness.

An Asset Sale Offer insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the Offer Period). No later than five Business Days after the termination of the applicable Offer Period the Issuers will purchase the principal amount of the Notes (and purchase or repay any relevant Senior Indebtedness or other Indebtedness required to be so purchased or repaid as set out above) validly tendered.

To the extent that any portion of the Net Proceeds payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated as is actually received by BP I, BP II or such Restricted Subsidiary upon converting the relevant portion of the Net Proceeds into such currency.

Notices of an Asset Sale Offer shall be mailed by first-class mail, postage prepaid (or otherwise delivered in accordance with applicable DTC procedures) at least 30 but not more than 60 days before the purchase date to each holder of Notes at such holder s registered address. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Indenture relating to the Issuers obligation to make an Asset Sale Offer may be waived or modified with the consent of a majority in principal amount of the Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Notes, the Issuers could seek the consent of its lenders to purchase the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such a consent or repay such borrowings, the Issuers will remain prohibited from purchasing Notes. In such case, the Issuers failure to purchase tendered Notes would constitute an Event of Default under the Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuers (each of the foregoing, an Affiliate Transaction) involving aggregate consideration in excess of 10.0 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to BP I, BP II or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by BP I, BP II or such Restricted Subsidiary with an unrelated Person; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of 20.0 million, BP I or BP II delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of BP I or BP II, approving such Affiliate Transaction and set forth in an Officers Certificate certifying that such Affiliate Transaction complies with clause (a) above.

An Affiliate Transaction shall be deemed to have satisfied the approval requirements set forth in the preceding paragraph if (i) such Affiliate Transaction is approved by a majority of the Disinterested Directors or (ii) in the event there are no Disinterested Directors, a fairness opinion is provided by an Independent Financial Advisor with respect to such Affiliate Transaction.

The foregoing provisions will not apply to the following:

(1) transactions between or among BP I, BP II or any Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries or any Receivables Subsidiary and any merger, consolidation or amalgamation of BP I, BP II and any direct parent of BP I or BP II; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of BP I and BP II and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the covenant Certain Covenants Limitation on Restricted Payments and Permitted Investments;

(3) the entering into of any agreement (and any amendment or modification of any such agreement) to pay, and the payment of, annual management, consulting, monitoring and advisory fees to Rank in an aggregate amount in any fiscal year not to exceed the greater of 3.0 million and 1.5% of EBITDA of BP I, BP II and the Restricted Subsidiaries for the immediately preceding fiscal year, plus out-of-pocket expense reimbursement;

(4) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of BP I, BP II or any Restricted Subsidiary or any direct or

indirect parent of BP I or BP II;

(5) payments by BP I, BP II or any Restricted Subsidiaries to Rank made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with the Transactions, acquisitions or divestitures, which

payments are (x) made pursuant to the agreements with Rank described in the Offering Circular under the caption Shareholders and Related Party Transactions or (y) approved by a majority of the Board of Directors of BP I or BP II in good faith;

(6) transactions in which BP I, BP II or any Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to BP I, BP II or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(7) payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of BP I or BP II in good faith;

(8) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by senior management or the Board of Directors of BP I or BP II;

(9) the existence of, or the performance by BP I, BP II or any Restricted Subsidiaries of its obligations under the terms of, the Acquisition Documents, the Reynolds Acquisition Documents, the Evergreen Acquisition Documents, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, any other intercreditor agreements, any shareholders agreement, (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date or any other agreement or arrangement in existence on the Issue Date or described in the Offering Circular and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; *provided, however*, that the existence of, or the performance by BP I, BP II or any Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(10) the execution of the Transactions, the 2009 Post-Closing Reorganization and the payment of all fees and expenses, bonuses and awards related to the Transactions, including fees to Rank, that are described in the Offering Circular or contemplated by the Acquisition Documents, the Reynolds Acquisition Documents, the Evergreen Acquisition Documents or by any of the other documents related to the Transactions;

(11) (a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which are fair to BP I, BP II and the Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of BP I or BP II, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(12) any transaction effected as part of a Qualified Receivables Financing or a Financing Disposition;

(13) the issuance of Equity Interests (other than Disqualified Stock) of BP I or BP II or Subordinated Shareholder Funding to any Person;

(14) the issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding or entering into of employment arrangements, stock option and stock ownership plans or similar employee

benefit plans approved by the Board of Directors of BP I or BP II or any direct or indirect parent of BP I or BP II or of a Restricted Subsidiary of BP I or BP II, as appropriate;

(15) the entering into and performance of any tax sharing agreement or arrangement and any payments permitted by clause (12) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments;

(16) any contribution to the capital of BP I or BP II;

(17) transactions permitted by, and complying with, the provisions of the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets;

(18) transactions between BP I, BP II or any Restricted Subsidiaries and any Person, a director of which is also a director of BP I, BP II or any direct or indirect parent of BP I or BP II; provided, however, that such director abstains from voting as a director of BP I, BP II or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) the formation and maintenance of any consolidated or combined group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(21) any employment agreements entered into by BP I, BP II or any Restricted Subsidiaries in the ordinary course of business; and

(22) intercompany transactions undertaken in good faith (as certified by a responsible financial or accounting officer of BP I or BP II in an Officers Certificate) for the purpose of improving the consolidated tax efficiency of BP I, BP II and their respective Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture.

Liens. The Indenture provides that BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien on any asset or property of BP I, BP II or such Restricted Subsidiary (including Capital Stock or Indebtedness of a Restricted Subsidiary), whether owned on the Issue Date or acquired thereafter, or any interest therein or any income, profits or proceeds therefrom securing any Indebtedness (an *Initial Lien*), except Permitted Liens; *provided, however*, that any Lien on such property or assets will be permitted notwithstanding that it is not a Permitted Lien if the Notes and Note Guarantees are equally and ratably secured with (or on a senior basis to, in the case of obligations subordinated in right of payment to the Notes or the Note Guarantees), the obligations so secured until such time as such obligations are no longer secured by a Lien.

Any Lien created for the benefit of the holders pursuant to this covenant will provide by its terms that such Lien will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien, (b) upon the sale or other disposition of the assets subject to such Initial Lien (or the sale or other disposition of the Person that owns such assets) in compliance with the terms of the Indenture, (c) upon the designation of a Restricted Subsidiary whose property or assets secure such Initial Lien as an Unrestricted Subsidiary in accordance with the terms of the Indenture, (d) following an Event of Default under the Indenture or an event of default under any other Indebtedness secured by the collateral securing such Indebtedness, pursuant to an enforcement action, if required, in accordance with the terms of any applicable intercreditor agreement or (e) upon the effectiveness of any defeasance or satisfaction and discharge of the Notes as specified in the Indenture.

Reports and Other Information. Notwithstanding that RGHL or the Issuers may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, RGHL (and the Issuers) will file with the SEC (and provide the Trustee and holders of the Notes with copies thereof, without cost to each holder, within 15 days after it files them with the SEC),

(1) within the time period specified in the SEC s rules and regulations, annual reports on Form 20-F (or any successor or comparable form applicable to RGHL or the Issuers within the time period for non-

accelerated filers to the extent such term is applicable to such form) containing the information required to be contained therein (or required in such successor or comparable form); *provided, however*, that, prior to the filing of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, such report shall not be required to contain any certification required by any such form or by law,

(2) within 60 days after the end of each fiscal quarter other than the fourth fiscal quarter of any year, the information that would be required by a report on Form 10-Q (or any successor or comparable form applicable to RGHL or the Issuers) (which information, if RGHL and the Issuers are not required to file reports on Form 10-Q, will be filed on Form 6-K (or any successor or comparable form applicable to RGHL or the Issuers)); *provided, however*, that prior to the filing of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, such report shall not be required to contain any certification required by any such form or by law, and

(3) promptly from time to time after the occurrence of an event required to be reported on Form 8-K (or any successor or comparable form applicable to RGHL or the Issuers), the information that would be required by a Form 8-K (or any successor or comparable form applicable to RGHL or the Issuers) (which information, if RGHL and the Issuers are not required to file reports on Form 8-K will be filed on Form 6-K (or any successor or comparable form applicable to RGHL or the Issuers));

provided, however, that RGHL (and the Issuers) shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event RGHL (or the Issuers) will post the reports specified in the first sentence of this paragraph on its website within the time periods that would apply if RGHL were required to file those reports with the SEC. In addition, RGHL will make available such information to prospective purchasers of Notes, in addition to providing such information to the Trustee and the holders of the Notes, in each case within 15 days after the time RGHL would be required to file such information with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act. Notwithstanding the foregoing, RGHL and the Issuers may satisfy the foregoing reporting requirements (i) prior to the filing with the SEC of the Exchange Offer Registration Statement, or if the Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Registration Rights Agreement, the Shelf Registration Statement, by providing the Trustee and the noteholders with (x) substantially the same information as would be required to be filed with the SEC by RGHL and the Issuers on Form 20-F (or any successor or comparable form applicable to RGHL or the Issuers) if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within 90 days after the end of the applicable fiscal year and (y) substantially the same information as would be required to be filed with the SEC by RGHL and the Issuers on Form 10-Q (or any successor or comparable form applicable to RGHL or the Issuers) if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within 60 days after the end of the applicable fiscal quarter and (ii) after filing with the SEC the Exchange Offer Registration Statement, or if the Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Registration Rights Agreement, the Shelf Registration Statement, but prior to the effectiveness of the Exchange Offer Registration Statement or Shelf Registration Statement, by publicly filing with the SEC the Exchange Offer Registration Statement or Shelf Registration Statement, to the extent any such registration statement contains substantially the same information as would be required to be filed by RGHL and the Issuers if they were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustee and the noteholders with such registration statement (and amendments thereto) promptly following the filing with the SEC thereof.

Notwithstanding the foregoing, the annual reports, information, documents and other reports filed with the SEC will include all of the information, with respect to the financial condition and results of operations of BP I and BP II on a combined basis separate from the financial condition and results of operations from RGHL on a consolidated basis, that RGHL, BP I and BP II are required to include in information, documents and other reports made available pursuant to the 2009 Indenture (such information, the Required Financial Information). If RGHL s, BP I s or BP II s obligations to provide the Required Financial Information shall cease to be in full force and effect, RGHL, BP I and

BP II shall make available to the Trustee and the noteholders information substantially equivalent to the Required Financial Information as if their obligations to provide such information under the 2009 Indenture remained in full force and effect.

Notwithstanding the foregoing, RGHL will be deemed to have furnished such reports referred to above to the Trustee and the holders of the Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Indenture also provides that, so long as any of the Notes remain outstanding and during any period during which BP I or the Issuers are not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g 3-2(b) of the Exchange Act, each Issuer will make available to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Note Guarantors. The Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Note Guarantor or a Receivables Subsidiary) that guarantees, assumes or in any other manner becomes liable with respect to (a) any Indebtedness under any Credit Agreement or (b) any Public Debt (including any proceeds loans or other intercompany loans in respect thereof) of BP I, BP II, an Issuer or any Note Guarantor, in each case, will execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the Notes; *provided* that notwithstanding the foregoing:

(a) the Thai Guarantor (as defined below) shall only be required to enter into its Note Guarantee as described below under the caption Certain Covenants Bank of Thailand Approval and Thai Business Permit;

(b) no Note Guarantee shall be required as a result of any Indebtedness or guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the Indebtedness or guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(c) if such Indebtedness is by its terms expressly subordinated to the Notes or any Note Guarantee, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary s Note Guarantee of the Notes at least to the same extent as such Indebtedness is subordinated to the Notes or any other senior guarantee;

(d) no Note Guarantee shall be required as a result of any guarantee given to a bank or trust company incorporated in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the US Federal Reserve System (or any branch, Subsidiary or Affiliate thereof), in each case having combined capital and surplus and undivided profits of not less than 500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody s, in connection with the operation of cash management programs established for BP I s and BP II s benefit or that of any Restricted Subsidiary;

(e) no Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(f) no Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (x) personal liability for, or material risk of personal liability for, the officers, directors or shareholders of BP I, BP II, any parent of BP I or BP II or any Restricted Subsidiary, (y) any violation of, or material risk of violation of, applicable law that cannot be avoided or otherwise prevented through measures reasonably available to BP I, BP II or any such Restricted Subsidiary, including, for the avoidance of doubt, whitewash or similar procedures or (z) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (y) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(g) each such Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The Note Guarantees shall be released in accordance with the provisions of the Indenture described under Note Guarantees.

Bank of Thailand Approval and Thai Business Permit. The Indenture provides that, within 30 days after May 4, 2010 (or on such later date as may be permitted by the administrative agent under the Senior Secured Credit Facilities in its sole discretion) SIG Combibloc Limited (Thailand) (the Thai Guarantor) shall apply to the Bank of Thailand for, and use commercially reasonable effort to obtain, in-principle approval for the remittance of any foreign currency sum pursuant to the Thai Guarantor s obligation to make any payment under the Thai Note Guarantee (as defined below).

If such Bank of Thailand in-principle approval is received, the Thai Guarantor shall promptly apply for, and shall use commercially reasonable efforts to obtain, the requisite permit under the Alien Business Act B.E. 2542 from the Director-General of the Department of Business Development, Ministry of Commerce of Thailand (the Thai Business Permit) permitting the Thai Guarantor to provide a guarantee for payment of the Notes (the Thai Note Guarantee).

Notwithstanding the provisions set forth under Certain Covenants Future Note Guarantors, but subject to the exceptions to the requirement to provide a Note Guarantee contained therein, the Thai Guarantor shall execute and deliver to the Trustee a supplemental indenture pursuant to which it will guarantee payment of the Notes within 60 days of obtaining its Thai Business Permit (or on such later date as may be permitted by the administrative agent under the Senior Secured Credit Facilities in its sole discretion), but in any event not earlier than the date on which the Thai Guarantor enters into its guarantee with respect to the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities, provided that at such time it would, but for the provisions of this section, be required to grant a Note Guarantee under the terms of the section Certain Covenants Future Note Guarantors above.

In addition, in respect of any in-principle approval of the Bank of Thailand granted to the Thai Guarantor, the Thai Guarantor agrees to: (i) when it is required to remit the foreign currency sum pursuant to its obligation of payment under the Thai Note Guarantee, comply with the Bank of Thailand s requirements set out in such in-principle approval for obtaining the final approval of the Bank of Thailand for the remittance of such sum (to the full amount of its guarantee obligations), within the time limits specified by the Bank of Thailand (if any); (ii) if such in-principle approval has an expiry date, apply for the renewal or extension of such approval prior to the expiry date of such approval, so long as any of the obligations under the Thai Note Guarantee are outstanding; and (iii) comply with the conditions set out in the final approval (if any) to allow the Thai Guarantor to remit the approved foreign currency sum (to the fullest extent) for the payment under the Thai Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Indenture to the contrary, neither of the US Issuers will, directly or indirectly, own or acquire any Equity Interests in a US Controlled Foreign Subsidiary.

Limitation on Ownership of Foreign Subsidiaries. No Foreign Subsidiary of RGHL shall also be a Subsidiary of a Domestic Subsidiary of RGHL unless such Domestic Subsidiary is a disregarded entity for US tax purposes; *provided, however*, that such limitation shall not apply to (x) any Foreign Subsidiary of RGHL that is a Subsidiary of SIG Combibloc Inc., Closure Systems International Inc., Closure Systems Mexico Holdings LLC or CSI Mexico LLC as of the Issue Date, (y) any Foreign Subsidiary of a Domestic Subsidiary at the time such Domestic Subsidiary becomes a Subsidiary of RGHL (*provided, however*, that such Foreign Subsidiary did not become a Subsidiary of such Domestic Subsidiary in connection with, or in contemplation of, such Domestic Subsidiary becoming a Subsidiary of RGHL) or (z) any Foreign Subsidiary that is not a US Controlled Foreign Subsidiary.

Fiscal Year. Each Issuer at all times will have the same fiscal year as BP I and BP II and RGHL.

Limitations on Amendment of 2007 Senior Subordinated Notes. Except with the consent of the Holders of a majority in outstanding aggregate principal amount of the Notes, BP II and the Obligors will not amend the 2007 Senior Subordinated Note Indenture or the notes and guarantees in respect of the foregoing if such amendment would result in any of the following:

(a) the principal obligor in respect of the 2007 Senior Subordinated Notes not being either RGHL or BP II;

(b) except as may be otherwise permitted under the Indenture under Certain Covenants Future Note Guarantors, any Restricted Subsidiary other than a Note Guarantor or an Issuer guaranteeing the 2007 Senior Subordinated Notes; or

(c) the terms of the 2007 Senior Subordinated Notes relating to subordination being materially less favorable overall to the Holders.

Covenant Suspension. If (i) the Notes have Investment Grade Ratings from both Rating Agencies, and the Issuers have delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a Covenant Suspension Event) then, beginning on that day, BP I, BP II and the Restricted Subsidiaries will not be subject to the covenants (and related defaults) specifically listed under the following captions in this Description of the Notes section of the Offering Circular (the Suspended Covenants):

(1) Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(2) Limitation on Restricted Payments;

(3) Dividend and Other Payment Restrictions Affecting Subsidiaries;

(4) Asset Sales;

(5) Transactions with Affiliates;

(6) Future Note Guarantors;

(7) clause (4) of the first paragraph of Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets; and

(8) Change of Control.

In the event that BP I, BP II and the Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the Reversion Date) one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating or (b) BP I, BP II or any of their Affiliates enters into an agreement to effect a transaction that would result in a breach of a Suspended Covenant if not so suspended and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the Notes below an Investment Grade Rating, then BP I, BP II and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture. Such covenants will not, however, be of any effect with regard to the actions of BP I, BP II and the Restricted Subsidiaries properly taken during the continuance of the covenant suspension and the covenant described under Limitation on Restricted Payments shall be interpreted as if it had been in effect since the Reference Date except that no Default will be deemed to have occurred and will not occur solely by reason of a Restricted Payment made during the covenant suspension.

During the continuance of the covenant suspension, no Restricted Subsidiary may be designated as an Unrestricted Subsidiary.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Indenture provides that each of BP I, BP II and each of the Issuers may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not BP I, BP II or any Issuer, as applicable, is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets in one or more related transactions, to any Person unless:

(1) BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, is the surviving person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than BP I, BP II, the US Issuer I, the US Issuer II, or the Luxembourg Issuer, as applicable) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or New Zealand (BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, or such Person, as the case may be, being herein called the Successor Company); *provided* that in the case where the surviving Person is not a corporation, a co-obligor of the Notes is a corporation;

(2) the Successor Company (if other than BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable) expressly assumes all the obligations of BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, under its Note Guarantee (if applicable) and the Indenture pursuant to supplemental indentures or other documents or instruments in form and substance satisfactory to the Trustee;

(3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either:

(a) the Successor Company would be permitted to Incur at least 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and the Restricted Subsidiaries immediately prior to such transaction;

(5) if the Successor Company is not BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, the Issuers and each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Indenture, Notes and Note Guarantee, as applicable, shall apply to such Person s obligations under the Indenture, the Notes and Note Guarantee; and

(6) the Issuers shall have delivered to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with the Indenture, provided that in giving such opinion such counsel may

rely on an Officers Certificate as to compliance with the foregoing clauses (3) and (4) and as to any matters of fact.

The Successor Company (if other than BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable) will succeed to, and be substituted for, BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, under the applicable Note Guarantee (if applicable) and the Indenture, and in such event BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer, as applicable, will automatically be released and discharged from its obligations under the applicable Note Guarantee and the Indenture. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary (other than an Issuer) may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to BP I, BP II or to another Restricted Subsidiary, and (b) BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating BP I, BP II, the US Issuer I, the US Issuer II or the Luxembourg Issuer in a member state of (or in another member state of) the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or New Zealand or may convert into a limited liability company, so long as the amount of Indebtedness of BP I, BP II and the Restricted Subsidiaries is not increased thereby. The provisions set forth in this Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among BP I, BP II and the Restricted Subsidiaries.

The Indenture further provides that, subject to certain limitations in the Indenture governing release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Note Guarantor, no Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets in one or more related transactions to, any Person unless:

(1) either (a) such Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Note Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof or New Zealand (such Note Guarantor or such Person, as the case may be, being herein called the Successor Note Guarantor), and the Successor Note Guarantor (if other than such Note Guarantor) expressly assumes all the obligations of such Note Guarantor under the Indenture and such Note Guarantor s Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form satisfactory to the Trustee, or (b) if such sale or disposition or consolidation, amalgamation or merger is with a Person other than BP I, BP II or any Restricted Subsidiary, such sale or disposition or consolidation, amalgamation or merger is not in violation of the covenant described above under the caption Certain Covenants Asset Sales; and

(2) the Successor Note Guarantor (if other than such Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

Subject to certain limitations described in the Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Note Guarantor (if other than such Note Guarantor) will succeed to, and be substituted for, such Note Guarantor under the Indenture and such Note Guarantor s Note Guarantee, and such Note Guarantor will automatically be released and discharged from its obligations under the Indenture and such Note Guarantor s Note Guarantee. Notwithstanding the foregoing, (1) a Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Note Guarantor in a member state of (or another member state of) the European Union that was a member state on January 1, 2004, the United

States, the District of Columbia, or any state or territory thereof, so long as the amount of Indebtedness of the Note Guarantor is not increased thereby, and

(2) a Note Guarantor may merge, amalgamate or consolidate with another Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Note Guarantor may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or Substantially All of its properties or assets (collectively, a Transfer) to (x) BP I, an Issuer or any Note Guarantor or (y) any Restricted Subsidiary that is not a Note Guarantor; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed 5.0% of the consolidated assets of BP I, BP II, the Issuers and the Note Guarantors as shown on the most recent available combined consolidated balance sheet of BP I, BP II, the Issuers and the Restricted Subsidiaries after giving effect to each such Transfer and including all Transfers occurring from and after the Issue Date (excluding Transfers in connection with the Transactions described in the Offering Circular).

Additional Covenants. The Indenture also contains covenants with respect to the following matters: (a) payment of the principal, premium, any Additional Amounts and interest; (b) maintenance of an office or agency in New York; and (c) arrangements regarding the handling of money held.

Defaults

An Event of Default is defined in the Indenture as:

(1) a default in any payment of interest on any Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase (other than with respect to any Change of Control Payment, which shall be governed by clause (4) below), upon declaration or otherwise;

(3) the failure by BP I, BP II, or any Restricted Subsidiaries to comply with the covenants described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets, Limitation on the US Issuers;

(4) the failure by BP I, BP II or any Restricted Subsidiaries to comply for 60 days after notice with its other agreements contained in the Notes or the Indenture (other than a failure to purchase Notes);

(5) the failure by BP I, BP II, an Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to BP I, BP II or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds 20.0 million or its foreign currency equivalent (the *cross-acceleration provision*);

(6) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer, a Significant Subsidiary or any Restricted Subsidiary that, directly or indirectly, owns or holds any Equity Interest of an Issuer (the *bankruptcy provisions*);

(7) failure by BP I, BP II, an Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of 20.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the judgment default provision); or

(8) any Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Note Guarantee of one or more Note Guarantors that collectively would represent a Significant Subsidiary) ceases to be in full force and effect (except as

contemplated by the terms thereof or the terms of the Indenture) or BP I, BP II or any Note Guarantor that qualifies as a Significant Subsidiary (or one or more Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Indenture or any Note Guarantee and such Default continues for 20 days.

The foregoing constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

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However, a default under clause (4) (other than a failure to purchase Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Notes of such series notify the Issuers of the default and the Issuers do not cure or cause the cure of such default within the time specified in clause (4) hereof, after receipt of such notice.

If an Event of Default (other than a Default relating to (x) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer or any Restricted Subsidiary that, directly or indirectly, holds or owns any Equity Interest of an Issuer or (y) the covenant Limitation on the US Issuers) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding Notes by notice to the Issuers may declare the principal of, premium, if any, and accrued but unpaid interest (including additional interest, if any) on all the Notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to (x) certain events of bankruptcy, insolvency or reorganization of BP I, BP II, an Issuer or any Restricted Subsidiary that, directly or indirectly, holds or owns any Equity Interest of an Issuer or (y) the covenant Limitation on the US Issuers occurs, the principal of, premium, if any, and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

In the event of any Event of Default specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes, if within 20 days after such Event of Default arose the Issuers deliver an Officers Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing,

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy,

(3) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense,

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. We cannot assure you that indemnification satisfactory to the Trustee will be on commercially reasonable terms or terms acceptable to holders of the Notes such that an agreement will be reached and the Trustee will act on behalf of the noteholders.

The Indenture provides that if a Default occurs and is continuing and has been notified to the Trustee, the Trustee must mail (or otherwise deliver in accordance with applicable DTC procedures) to each holder of Notes notice of the Default within the earlier of 90 days after it occurs or 30 days after written notice of it is received by the Trustee. In addition, the Issuers are required to deliver to the Trustee, within 120 days after the end of each fiscal year and in any event, within 14 days of request by the Trustee, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuers also are required to deliver to the Trustee (i) as soon as any of them become aware of the occurrence of an Event of Default, written notice of the occurrence of such Event of Default and (ii) within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action BP I, BP II or any Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture and the Notes may be amended with the consent of the holders of a majority in principal amount of the Notes then outstanding and any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding; *provided, however*, that without the consent of each holder of an outstanding Note affected, no amendment may, among other things:

(1) reduce the amount of Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Note,

(3) reduce the principal of or extend the Stated Maturity of any Note,

(4) reduce the premium or amount payable upon the redemption of any Note, change the time at which any Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes,

(5) make any Note payable in money other than that stated in such Note,

(6) expressly subordinate the Notes or any Note Guarantee to any other Indebtedness of any Issuer, BP I or any Note Guarantor not otherwise permitted by the Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder s Notes,

(8) make any change in the amendment provisions which require the holder s consent as described in this sentence or in the waiver provisions or

(9) make any change in the provisions of the Indenture described under Withholding Taxes that adversely affects the rights of any Holder to receive payments of Additional Amounts pursuant to such provisions or amend the terms of the Notes or the Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder that are required to be withheld or deducted by any Relevant Taxing Jurisdiction from any payments made on the Note or any Note Guarantees by the Payors, unless RGHL or any Restricted Subsidiary agrees to pay any Additional Amounts that arise as a result. For purposes of this paragraph (9) a Relevant Taxing Jurisdiction shall include the United States.

Without the consent of any Holder, BP I, the Issuers, and the Trustee may amend the Indenture and the Notes (1) to cure any ambiguity, omission, mistake, defect or inconsistency, (2) to give effect to any provision of the Indenture (including the release of any Note Guarantees in accordance with the terms of the Indenture, and to comply with the covenant under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets), (3) to provide for the assumption by a Successor Company of the obligations of any Issuer under the Indenture and the Notes, to provide for the assumption by Midco of the obligations of

RGHL under the Indenture and the Notes, to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee, (4) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Note Guarantee with respect to the Notes, (6) to add to the covenants of BP I, BP II or any Note Guarantor for the benefit of the Holders or to surrender any right or power conferred upon BP I or BP II, (7) to make any change that does not adversely affect the rights of any Holder, (8) to evidence and give effect to the acceptance and appointment under the Indenture of a successor Trustee, (9) to provide for the accession of the Trustee to any instrument in connection with the Notes, (10) to make certain changes to the Indenture to provide for the issuance of Additional Notes or (11) to comply with any requirement of the SEC in connection with the qualification of the Indenture under the the US Trust Indenture Act of 1939, as amended (the Trust Indenture Act), if such qualification is required.

The consent of the noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Indenture becomes effective, the Issuers are required to mail (or otherwise deliver in accordance with applicable DTC procedures) to the respective noteholders a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

No Personal Liability of Directors, Officers, Employees, Managers and Stockholders

No (i) director, officer, employee, manager, incorporator or holder of any Equity Interests in BP I, BP II or any Issuer or any direct or indirect parent corporation or (ii) director, officer, employee or manager of a Note Guarantor, will have any liability for any obligations of the Issuers under the Notes, the Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the registrar and the Trustee may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a noteholder to pay any taxes required by law or permitted by the Indenture. The Issuers are not required to transfer or exchange any Note selected for redemption or to transfer or exchange any Note for a period of 15 days prior to a selection of Notes to be redeemed. The Notes will be issued in registered form and the registered holder of a Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held by the Issuers and thereafter repaid to the Issuers or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the Notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuers, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in

the name, and at the expense, of the Issuers, and the Issuers have irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuers directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) BP I, BP II, an Issuer or the Note Guarantors have paid all other sums payable under the Indenture; and

(3) the Issuers have delivered to the Trustee an Officers Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any counsel may rely on an Officers Certificate as to matters of fact.

Defeasance

The Issuers at any time may terminate all their obligations under the Notes and the Indenture *(legal defeasance)*, and cure any existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. The Issuers at any time may terminate their obligations under the covenants described under Certain Covenants, the operation of the cross-acceleration provision and the bankruptcy provisions with respect to Significant Subsidiaries, and the judgment default provision described under Defaults and the undertakings and covenants contained under Change of Control and Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets (covenant defeasance *)*. If the Issuers exercise their legal defeasance option or their covenant defeasance option, each Note Guarantor will be released from all of its obligations with respect to its Note Guarantee.

The Issuers may exercise their legal defeasance option notwithstanding their prior exercise of their covenant defeasance option. If the Issuers exercise their legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuers exercise their covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6) (with respect only to Significant Subsidiaries), (7) or (8) under Defaults or because of the failure of the Issuers to comply with clause (4) under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.

In order to exercise its defeasance option, the Issuers must irrevocably deposit (the defeasance trust) with the Trustee money in US Dollars for the payment of principal, premium (if any) and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable U.S. federal income tax law).

Concerning the Trustee

The Bank of New York Mellon is the Trustee under the Indenture.

If the Trustee becomes a creditor of the Issuers or any Note Guarantor, the Indenture and the Trust Indenture Act limit its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign.

The Indenture provides that in case an Event of Default will occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Notices

All notices to noteholders will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to DTC, which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; provided that, if notices are mailed (or otherwise delivered in accordance with applicable DTC procedures), such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed or delivered. Any notice or communication mailed to a noteholder shall be mailed to such Person by first-class mail or other equivalent means (or otherwise delivered in accordance with applicable DTC procedures) and shall be sufficiently given to him if so mailed or delivered within the time prescribed. Failure to mail (or otherwise deliver in accordance with applicable DTC procedures) a notice or communication to a noteholder or any defect in it shall not affect its sufficiency with respect to other noteholders. If a notice or communication is mailed or delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

Currency Indemnity and Calculation of Dollar-denominated Restrictions

The US Dollar is the sole currency of account and payment for all sums payable by BP I, BP II, the Issuers or any Note Guarantor under or in connection with the Notes, including damages. Any amount with respect to the Notes received or recovered in a currency other than US Dollars, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuers or any Note Guarantor or otherwise by any noteholder or by the Trustee, in respect of any sum expressed to be due to it from the Issuers or any Note Guarantor will only constitute a discharge to the Issuers or any Note Guarantor to the extent of the US Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that US Dollar amount is less than the US Dollar amount expressed to be due to the recipient or the Trustee under any Note, BP I, BP II, the Issuers and any Note Guarantor will indemnify such recipient against any loss sustained by it as a result. In any event, BP I, BP II, the Issuers and any Note Guarantor will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the holder of a Note or the Trustee to certify in a manner satisfactory to the Issuers (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from BP I, BP II, the Issuers and any Note Guarantor s other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Consent to Jurisdiction and Service

Each of BP I, BP II, the Issuers and the Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof and courts of its own corporate domicile, with respect to actions brought against it as defendant; (2) consented that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (3) designated and appointed the US Issuer II as its authorized agent upon which process may be served in any action, suit or proceeding arising out of or relating to the Indenture that may be instituted in any Federal or state court in the State of New York; and (4) agreed that service of any process, summons, notice or document by US registered mail addressed to the US Issuer II, with written notice of said service to such Person at the address of the US Issuer II set forth in the Indenture shall be effective service of process for any action, suit or proceeding brought in any such court.

Enforceability of Judgments

Since a significant portion of the assets of BP I, BP II, the Issuers and the Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Note Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Governing Law

The Indenture provides that it and the Notes are governed by, and construed in accordance with, the laws of the State of New York. Notwithstanding anything to the contrary, articles 86 to 94-8 of the Luxembourg law of August 10, 1915 on commercial companies shall not be applicable in respect of the Notes.

See Certain Insolvency and Other Local Law Considerations and Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult.

Book-Entry, Delivery and Form

General

The Notes will be represented by one or more global Notes in registered form without interest coupons attached (collectively, the Global Notes). The Global Notes will be deposited upon issuance with a custodian for The Depository Trust Company (*DTC*) and registered in the name of Cede & Co., as nominee of DTC.

In the event that Additional Notes are issued pursuant to the terms of the Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Notes, if any, to be issued in the form of one or more global Notes (the *Additional Global Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Note and ownership of interests in each Additional Note (together, the *Book-Entry Interests*) will be limited to persons that have accounts with the Depositary or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the Depositary and their participants. As used in this section, *Depositary* means, with respect to the Global Notes and the Additional Global Notes, if any, DTC.

The Book-Entry Interests will not be held in definitive form. Instead, the Depositary will credit on its book-entry registration and transfer systems a participant s account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that

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certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge or grant any other security interest in Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Notes for purposes of the Indenture.

So long as the Notes and any Additional Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of DTC, and indirect participants must rely on the procedures of DTC and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

The Issuers and the Trustee and their respective agents will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will not receive definitive Notes in registered form (Definitive Registered Notes) in exchange for their Book-Entry Interests unless (a) the Issuers have consented thereto in writing, or such transfer or exchange is made pursuant to one of clauses (i), (ii) or (iii) of this paragraph and (b) such transfer or exchange is in accordance with the applicable rules and procedures of the Depositary and the applicable provisions of the Indenture. Subject to applicable provisions of the Indenture, Definitive Registered Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Note if:

(i) the Issuers notify the Trustee in writing that the Depositary is unwilling or unable to continue to act as depositary and the Issuers do not appoint a successor depositary within 120 days;

(ii) the Depositary so requests if an Event of Default under the Indenture has occurred and is continuing; or

(iii) the Issuers, at their option, notify the Trustee in writing that they elect to issue Definitive Registered Notes under the Indenture.

In such an event, Definitive Registered Notes will be issued and registered in the name or names and issued in denominations of $100,000 in principal amount and integral multiples of $1,000 as requested by or on behalf of the Depositary (in accordance with its customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Notes shall be payable at the place of payment designated by the Issuers pursuant to the Indenture; *provided*, *however*, that at the Issuers option, payment of interest on a Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Note register.

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Depositary in connection with the redemption of such Global Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Notes are to be redeemed at any time, DTC will credit their respective participants accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no book-entry interest of less than $100,000 in principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes for the Notes (including principal, premium, interest, additional interest and Additional Amounts) will be made by the Issuers in US Dollars to the paying agents under the Indenture. The paying agents will, in turn, make such payments to the Depositary or its nominee, as the case may be, which will distribute such payments to their respective participants in accordance with their respective procedures.

Under the terms of the Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Notes as the owner thereof for the purpose of receiving payments and other purposes under the Indenture. Consequently, the Issuers, the Trustee and the paying agents and their respective agents have not and will not have any responsibility or liability for:

any aspect of the records of the Depositary or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by the Depositary or any participant or indirect participants, or maintaining, supervising or reviewing the records of the Depositary or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or

the Depositary or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is the case with securities held for the accounts of customers registered in street name.

Action by Owners of Book-Entry Interests

We understand that the Depositary will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. The Depositary will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, the Depositary reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its respective participants.

Transfers

Transfers of any Global Note shall be limited to transfers of such Global Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Indenture), not in part, to the Depositary, its successors or its nominees.

Subject to the foregoing, Book-Entry Interests may be transferred and exchanged in a manner otherwise in accordance with the terms of the Indenture. Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the relevant Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Note only pursuant to the terms of the Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Notes will be made in US Dollars. In the case of Book-Entry Interests held through DTC, such Book-Entry Interests will be credited to the securities custody account of DTC holders, as applicable, on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of the Depositary, and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading any Book-Entry Interests where both the purchaser s and seller s accounts are located to ensure that settlement can be made on the desired value date.

Clearing Information

We expect that the Notes will be accepted for clearance through the facilities of DTC.

Information Concerning DTC

All Book-Entry Interests will be subject to the operations and procedures of DTC. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by such settlement system and may be changed at any time. We are not responsible for those operations or procedures.

We understand the following with respect to DTC:

DTC was created to hold securities for its participants and facilitate the clearance and settlement transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC s owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

The information in this section concerning DTC and its book-entry systems has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof.

Certain Definitions

2007 Credit Agreement means the senior facilities agreement dated May 11, 2007, among, among others, BP I and Credit Suisse as mandated lead arranger, agent, issuing bank and security trustee, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

2007 Intercreditor Agreement means the intercreditor agreement dated May 11, 2007, among RGHL, BP I, the senior lenders identified therein, Credit Suisse, as senior agent thereunder, the senior issuing banks as identified therein, the subordinated bridging lenders, Credit Suisse, as subordinated bridging agent, Credit

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Suisse, as security trustee, and the other parties identified therein, as amended on November 5, 2009, and as amended, supplemented or modified from time to time thereafter.

2007 Notes Collateral means (x) all of the capital stock of BP I and (y) the receivables under the intercompany loans, each dated June 29, 2007 and between BP II and BP I in respect of the proceeds from the 2007 Senior Notes and the 2007 Senior Subordinated Notes, as from time to time amended, supplemented or modified.

2007 Notes Security Documents means the agreements or other instruments entered into or to be entered into between, *inter alios*, the collateral agent under the 2007 Senior Note Indenture and 2007 Senior Subordinated Note Indenture, the trustee under the 2007 Senior Note Indenture and 2007 Senior Subordinated Note Indenture, RGHL and BP II pursuant to which security interests in the 2007 Notes Collateral are granted to secure the 2007 Senior Notes and the 2007 Senior Subordinated Notes from time to time, as from time to time amended, supplemented or modified.

2007 Senior Note Indenture means the Indenture dated as of June 29, 2007, among BP II, the Senior Note Guarantors from time to time party thereto and as defined therein, the Trustee, as trustee, principal paying agent and transfer agent, BNY Fund Services (Ireland) Limited, as paying agent in Dublin and transfer agent, and Credit Suisse, as security agent.

2007 Senior Notes means the 480.0 million aggregate principal amount of 8% Senior Notes due 2016 issued pursuant to the 2007 Senior Note Indenture.

2007 Senior Subordinated Note Indenture means the Indenture dated as of June 29, 2007, among BP II, the Senior Note Guarantors from time to time party thereto and as defined therein, the Trustee, as trustee, principal paying agent and transfer agent, BNY Fund Services (Ireland) Limited, as paying agent in Dublin and transfer agent, and Credit Suisse, as security agent.

2007 Senior Subordinated Notes means the 420.0 million aggregate principal amount of 91/2% Senior Subordinated Notes due 2017 issued pursuant to the 2007 Senior Subordinated Note Indenture.

2009 Indenture means the Indenture dated as of November 5, 2009, among Reynolds Group DL Escrow Inc., Reynolds Group Escrow LLC and The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent, Registrar and Collateral Agent, as supplemented, amended and modified from time to time thereafter.

2009 Notes means the $1,125.0 million aggregate principal amount and 450.0 million aggregate principal amount of 7.750% Senior Secured Notes due 2016 issued pursuant to the 2009 Indenture.

2009 Post-Closing Reorganization means the transactions contemplated in that certain Post-Closing Steps dated as of October 31, 2009, prepared by RGHL.

2009 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the 2009 Indenture) are granted to secure the 2009 Notes and the guarantees thereof.

Acquired Indebtedness means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person (including, for the avoidance of doubt, Indebtedness Incurred by such other Person in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person); and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquisition means the acquisition by BP III of the Target, by way of purchase of all the Target Shares (i) from RGHL prior to the Reference Date, (ii) under the Offer and Squeeze-Out, (iii) by way of market purchases and (iv) by way of over-the-counter purchases.

Acquisition Documents means the Offer Prospectus, the Pre-Announcement and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to the Issue Date or thereafter (so long as any amendment, supplement or modification after the Issue Date, together with all other amendments, supplements and modifications after the Issue Date, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the Acquisition Documents as in effect on the Issue Date).

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, control (including, with correlative meanings, the terms controlling, controlled by and under common control with), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

Applicable Premium (as determined by the Issuers) means, with respect to any Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Note on May 15, 2014 (such redemption price being described in the second paragraph under Optional Redemption exclusive of any accrued interest and additional interest, if any) plus (2) all required remaining scheduled interest payments due on such Note through May 15, 2014 (excluding accrued but unpaid interest and additional interest, if any, to the redemption date), computed using a discount rate equal to the Treasury Rate at the redemption date plus 50 basis points over (B) the principal amount of such Note on such redemption date.

Asset Sale means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) outside the ordinary course of business of BP I, BP II or any Restricted Subsidiary (each referred to in this definition as a *disposition*) or

(2) the issuance or sale of Equity Interests (other than directors qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to BP I, BP II or a Restricted Subsidiary and other than the issuance of Preferred Stock of a Restricted Subsidiary issued in compliance with the covenant described under Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of cash, Cash Equivalents or Investment Grade Securities or obsolete, surplus or worn-out property or equipment in the ordinary course of business;

(b) transactions permitted pursuant to the provisions described above under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under Certain Covenants Limitation on Restricted Payments ;

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value of less than 10.0 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to RGHL or by BP I, BP II or a Restricted Subsidiary to BP I, BP II or a Restricted Subsidiary;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater Fair Market Value or, as determined in good faith

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by senior management or the Board of Directors of BP I or BP II, to be of comparable or greater usefulness to the business of BP I, BP II and the Restricted Subsidiaries as a whole;

(g) foreclosure, exercise of termination rights or any similar action with respect to any property or any other asset of BP I, BP II or any Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory, trading stock or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(m) dispositions consisting of the granting of Permitted Liens;

(n) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than BP I, BP II or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(q) a Financing Disposition or a transfer (including by capital contribution) of accounts receivable and related assets of the type specified in the definition of Receivables Financing (or a fractional undivided interest therein) by a Receivables Subsidiary or any Restricted Subsidiary (x) in a Qualified Receivables Financing or (y) pursuant to any other factoring on arm s length terms or (z) in the ordinary course of business;

(r) the sale of any property in a Sale/Leaseback Transaction not prohibited by the Indenture with respect to any assets built or acquired by BP I, BP II or any Restricted Subsidiary after the Reference Date;

(s) in the ordinary course of business, any lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater Fair Market Value or, as determined in good faith by senior management or the Board of Directors of BP I or BP II, to be of comparable or greater usefulness to the business of BP I, BP II and the Restricted Subsidiaries as a whole; *provided* that any cash or Cash Equivalents received must be applied in accordance with the covenant described under Certain Covenants Asset Sales; and

(t) sales or other dispositions of Equity Interests in joint ventures in existence on the Issue Date.

August 2011 Notes means the August 2011 Senior Secured Notes and the August 2011 Senior Notes.

August 2011 Senior Indenture means the Senior Notes Indenture dated as of August 9, 2011, among RGHL US Escrow II LLC, RGHL US Escrow II Inc., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

August 2011 Senior Notes means the $1,000.0 million aggregate principal amount of 9.875% Senior Secured Notes due 2019 issued pursuant to the August 2011 Senior Indenture.

August 2011 Secured Indenture means the Senior Secured Notes Indenture dated as of August 9, 2011, among RGHL US Escrow II LLC, RGHL US Escrow II Inc., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent, Collateral Agent and Registrar, Wilmington Trust (London) Limited as Additional Collateral Agent and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

August 2011 Senior Secured Notes means the $1,500.0 million aggregate principal amount of 7.875% Senior Secured Notes due 2019 issued pursuant to the August 2011 Secured Indenture.

Bank Indebtedness means any and all amounts payable under or in respect of any Credit Agreement, the other Credit Agreement Documents and any Local Facility Agreement, in each case as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of such Credit Agreement or Local Facility Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to RGHL, BP I or BP II whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

Board of Directors means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

BP II means Beverage Packaging Holdings (Luxembourg) II S.A., a company incorporated as a société anonyme under the laws of Luxembourg with registered office at 6C, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (or any successor in interest thereto).

BP III means Beverage Packaging Holdings (Luxembourg) III S.à r.l., a company incorporated as a société à responsabilité limitée under the laws of Luxembourg with registered office at 6C, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (or any successor in interest thereto).

Business Day means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City, Luxembourg or London.

Capital Stock means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Capitalized Lease Obligation means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

Cash Equivalents means:

(1) US dollars, pounds sterling, euro, the national currency of any member state in the European Union or, in the case of any Restricted Subsidiary that is not organized or existing under the laws of the United States, any member state of the European Union or any state or territory thereof, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the US, U.K. Canadian, Swiss or Japanese government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank whose long-term debt is rated A or the equivalent thereof by Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of any Issuer) rated at least A-2 or the equivalent thereof by S&P or P-2 or the equivalent thereof by Moody s (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Monetary Union, the United Kingdom, Switzerland or Norway or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than any Issuer or any of its Affiliates) with a rating of A or higher from S&P or A-2 or higher from Moody s in each case with maturities not exceeding two years from the date of acquisition;

(8) for the purpose of paragraph (a) of the definition of Asset Sale, any marketable securities of third parties owned by BP I, BP II or the Restricted Subsidiaries on the Issue Date;

(9) interest in investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(10) instruments equivalent to those referred to in clauses (1) through (8) above denominated in euro or any other foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

Code means the Internal Revenue Code of 1986, as amended.

Consolidated Interest Expense means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Profit (including amortization of original issue discount and bond premium, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations (*provided*, *however*, that if Hedging Obligations result in net benefits received by such Person, such benefits shall be credited to reduce Consolidated Interest Expense to the extent paid in cash unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Profit) and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any capitalizing interest on Subordinated Shareholder Funding); plus

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than BP I, BP II and the Restricted Subsidiaries; minus

(4) interest income for such period.

Consolidated Net Profit means, with respect to any Person for any period, the aggregate of the Net Profit of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided, however*, that, without duplication:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges (less all fees and expenses relating thereto) including severance expenses, relocation costs and expenses and expenses or charges related to any Equity Offering, Permitted Investment, acquisition (including integration costs) or Indebtedness permitted to be Incurred by the Indenture (in each case, whether or not successful), including any such fees, expenses, charges or change in control payments made under the Acquisition Documents, the Reynolds Acquisition Documents, the Evergreen Acquisition Documents or otherwise related to the Transactions, in each case, shall be excluded;

(2) any increase in amortization or depreciation or any one-time non-cash charges or increases or reductions in Net Profit, in each case resulting from purchase accounting in connection with the Transactions or any acquisition that is consummated after the Issue Date shall be excluded;

(3) the Net Profit for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of BP I or BP II) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Profit for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of Cumulative Credit contained in Certain Covenants Limitation on Restricted Payments, the Net Profit for such period of any Restricted Subsidiary (other than any Issuer or any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Profit is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived or are permitted under the covenant described under Certain Covenants Dividend and Other Payment Restrictions Affecting Subsidiaries; provided that the Consolidated Net Profit of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted

Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Tax Distributions actually made to any parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under Certain Covenants Limitation on Restricted Payments shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any non-cash impairment charges or asset write-offs, and the amortization of intangibles arising in each case pursuant to GAAP or the pronouncements of the IASB shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights to officers, directors and employees shall be excluded;

(12) any (a) one-time non-cash compensation charges, (b) the costs and expenses after the Issue Date related to employment of terminated employees, (c) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (d) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Issue Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted as a result of the Transactions (including as a result of the adoption or modification of accounting policies in connection with the Transactions) within 12 months after the Issue Date and that are so required to be established in accordance with GAAP shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Profit of any Person and its Restricted Subsidiaries shall be calculated without deducting the income attributable to, or adding the losses attributable to, the minority equity interests of third parties in any non-wholly owned Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties and (b) any ordinary course dividend, distribution or other payment paid in cash and received from any Person in excess of amounts included in clause (7) above shall be included;

(15) (a) (i) the non-cash portion of straight-line rent expense shall be excluded and (ii) the cash portion of straight-line rent expense that exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP shall be excluded;

(16) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies resulting from the applications of the applicable standard under GAAP shall be excluded; and

(17) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of BP I and BP II calculated in accordance with GAAP and the actual Consolidated Taxes paid in cash by BP I and BP II during any Reference Period shall be included.

Notwithstanding the foregoing, for the purpose of the covenant described under Certain Covenants Limitation on Restricted Payments only, there shall be excluded from Consolidated Net Profit any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of BP I or BP II or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (5) and (6) of the definition of Cumulative Credit contained therein.

Consolidated Non-cash Charges means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net

Profit of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

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Consolidated Taxes means with respect to any Person for any period, provision for taxes based on income, profits or capital, including, without limitation, national, state, franchise and similar taxes and any Tax Distributions taken into account in calculating Consolidated Net Profit.

Contingent Obligations means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (*primary obligations*) of any other Person (the *primary obligor*) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

Credit Agreement means (i) the Senior Secured Credit Facilities and (ii) whether or not the instruments referred to in clause (i) remain outstanding, if designated by the Issuers to be included in the definition of Credit Agreement, one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers acceptances) or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

Credit Agreement Documents means the collective reference to the Credit Agreement, any notes issued pursuant thereto and the guarantees thereof and any security or collateral documents entered into in relation thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time.

Currency Agreement means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

Default means any event which is, or after notice or passage of time or both would be, an Event of Default.

Designated Non-cash Consideration means the Fair Market Value of non-cash consideration received by BP I, BP II or one of the Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

Designated Preferred Stock means Preferred Stock of BP I or BP II or any direct or indirect parent of BP I or BP II (other than Disqualified Stock), that is issued for cash (other than to BP I, BP II or any of their respective Subsidiaries or an employee stock ownership plan or trust established by BP I, BP II or any of their respective Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers Certificate, on the issuance date thereof.

Disinterested Directors means, with respect to any Affiliate Transaction, one or more members of the Board of Directors of BP I, BP II or any parent company of BP I or BP II having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of any such Board of Directors shall not be deemed to have such a financial interest by reason of such member s holding of Equity Interests of BP I, BP II or any parent company of BP I or BP II or any options, warrants or other rights in respect of such Equity Interests.

Disqualified Stock means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale; *provided* that the relevant asset sale or change of control provisions, taken as a whole, are not materially more disadvantageous to the holders of the Notes than is customary in comparable transactions (as determined in good faith by the Issuers));

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person; or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale),

in each case prior to 91 days after the maturity date of the Notes or the date the Notes are no longer outstanding; *provided, however*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided, further, however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of BP I, BP II or their respective Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by BP I or BP II in order to satisfy applicable statutory or regulatory obligations or as a result of such employee s termination, death or disability; *provided, further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

Domestic Subsidiary means, with respect to any Person, any Subsidiary of such Person that is incorporated or organized under the laws of the United States of America or any state thereof or the District of Columbia.

EBITDA means, with respect to any Person for any period, the Consolidated Net Profit of such Person for such period *plus*, without duplication, to the extent the same was deducted in calculating Consolidated Net Profit:

(1) Consolidated Taxes; *plus*

(2) Consolidated Interest Expense; *plus*

(3) Consolidated Non-cash Charges; *plus*

(4) business optimization expenses and other restructuring charges, expenses or reserves; *provided* that, with respect to each business optimization expense or other restructuring charge, expense or reserve, the Issuers shall have delivered to the Trustee an Officers Certificate specifying and quantifying such expense, charge or reserve and stating that such expense, charge or reserve is a business optimization expense or other restructuring charge or reserve, as the case may be; *plus*

(5) the amount of management, monitoring, consulting and advisory fees and related expenses paid to Rank (or any accruals relating to such fees and related expenses) during such period pursuant to the terms of the agreements between Rank and BP I or BP II and its Subsidiaries as described with particularity in the Offering Circular and as in effect on the Issue Date; *plus*

(6) all add backs reflected in the financial presentation of RGHL Combined Group Pro Forma Adjusted EBITDA in the section called Summary Summary Historical and Pro Forma Combined Financial Information in the amounts set forth in and as further described in that section of the Offering Circular, but only to the extent such add backs occurred in the consecutive four quarter period used in the calculations of Fixed Charge Coverage Ratio and Secured Leverage Ratio, as the case may be; *less*, without duplication,

(1) non-cash items increasing Consolidated Net Profit for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period); *less*

(2) all deductions reflected in the financial presentation of RGHL Combined Group Pro Forma Adjusted EBITDA in the section called Summary Summary Historical and Pro Forma Combined Financial Information in the amounts set forth in and as further described in that section of the Offering Circular, but only to the extent such deductions occurred in the consecutive four quarter period used in the calculations of Fixed Charge Coverage Ratio and Secured Leverage Ratio, as the case may be.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Equity Offering means any public or private sale after the Issue Date of ordinary shares or Preferred Stock of BP I or any direct or indirect parent of BP I or BP II, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to BP I s or such direct or indirect parent s ordinary shares registered on Form S-8;

(2) issuances to any Subsidiary of BP I or BP II; and

(3) any such public or private sale that constitutes an Excluded Contribution.

Euro Equivalent means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by BP I, BP II or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the Currency Rates section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by BP I or BP II) on the date of such determination.

Evergreen Acquisition means collectively (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all the Equity Interests of Evergreen Packaging Inc., (b) the acquisition by SIG Combibloc Holding GmbH, an indirect wholly-owned subsidiary of BP III, of all the Equity Interests of Evergreen Packaging (Luxembourg) S.à r.l and (c) the acquisition by Whakatane Mill Limited, an indirect wholly-owned subsidiary of BP III, from Carter Holt Harvey Limited of the assets and liabilities of the Whakatane Paper Mill.

Evergreen Acquisition Documents means the (i) the Reorganization Agreement, dated as of April 25, 2010, between Carter Holt Harvey Limited, BP III, Reynolds Group Holdings, Inc., Evergreen Packaging United States Limited and Evergreen Packaging New Zealand Limited and (ii) the Asset Purchase Agreement, dated as of April 25, 2010, between Carter Holt Harvey Limited and Whakatane Mill Limited, and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to the Issue Date.

Evergreen Transactions means the Evergreen Acquisition and the transactions related thereto (including the transactions contemplated in that certain Project Echo Structure dated April 23, 2010, prepared

by RGHL), including the incremental term loan borrowing of $800 million under the Senior Secured Credit Facilities, the issuance and guarantee of the Notes.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Excluded Contributions means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of BP I or BP II) received by BP I or BP II, as applicable, after the Issue Date from:

(1) contributions to its common equity capital; or

(2) the sale (other than to a Subsidiary of BP I or BP II or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of BP I or BP II,

in each case designated as Excluded Contributions pursuant to an Officers Certificate executed by an Officer of BP I or BP II on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

Fair Market Value means, with respect to any asset or property, the price that could be negotiated in an arm s-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined in good faith by BP I or BP II except as otherwise provided in the Indenture).

February 2011 Notes means the February 2011 Senior Secured Notes and the February 2011 Senior Notes.

February 2011 Senior Indenture means the Senior Notes Indenture dated as of February 1, 2011, among the US Issuer I, the US Issuer II, the Luxembourg Issuer, the guarantors from time to time party thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Registrar and Transfer Agent and The Bank of New York Mellon, London Branch, as Paying Agent, as supplemented, amended and modified from time to time thereafter.

February 2011 Senior Notes means the $1,000.0 million aggregate principal amount of 8.250% Senior Notes due 2021 issued pursuant to the February 2011 Senior Indenture.

February 2011 Senior Secured Indenture means the Senior Secured Notes Indenture dated as of February 1, 2011, among the US Issuer I, the US Issuer II, the Luxembourg Issuer, the guarantors from time to time party thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Registrar, Transfer Agent and Collateral Agent and The Bank of New York Mellon, London Branch, as Paying Agent, and Wilmington Trust (London) Limited, as additional Collateral Agent, as supplemented, amended and modified from time to time thereafter.

February 2011 Senior Secured Notes means the $1,000.0 million aggregate principal amount of 6.875% Senior Secured Notes due 2021 issued pursuant to the February 2011 Senior Secured Indenture.

February 2012 Notes means the $1,250.0 million aggregate principal amount of 9.875% Senior Notes due 2019 issued pursuant to the February 2012 Senior Indenture.

February 2012 Senior Indenture means the Senior Notes Indenture dated as of February 15, 2012, among the Issuers, certain guarantors thereto, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and

Registrar and The Bank of New York Mellon, London Branch as Paying Agent.

Financial Assistance Restricted Subsidiary means any Restricted Subsidiary that is prevented from being a Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Note Guarantor upon or as soon as reasonably practical after (but not later than 90 days after (subject to the expiration of applicable waiting periods and compliance with applicable laws)) such financial assistance laws no longer prevent such Restricted Subsidiary from being a Note Guarantor if it would otherwise be required to be a Note Guarantor pursuant to Certain Covenants Future Note Guarantors.

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Financing Disposition means any sale, transfer, conveyance or other disposition of inventory that is equipment used in the product filling process by BP I or any Restricted Subsidiary thereof to a Person that is not a Subsidiary of BP I or BP II that meets the following conditions:

(1) the Board of Directors of BP I shall have determined in good faith that such sale, transfer, conveyance or other disposition is in the aggregate economically fair and reasonable to BP I or, as the case may be, the Restricted Subsidiary in question;

(2) all sales of such inventory are made at Fair Market Value;

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by BP I);

(4) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Person (i) is guaranteed by BP I, BP II or any Restricted Subsidiary, (ii) is with recourse to or obligates BP I, BP II or any Subsidiary of BP I or BP II in any way or (iii) subjects any property or asset of BP I, BP II or any other Subsidiary of BP I or BP II, directly or indirectly, contingently or otherwise, to the satisfaction thereof;

(5) neither BP I, BP II nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding with such Person other than on terms which BP I or BP II reasonably believes to be no less favorable to BP I, BP II or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of any Issuer; and

(6) neither BP I, BP II nor any other Restricted Subsidiary has any obligation to maintain or preserve such Person s financial condition or cause such entity to achieve certain levels of operating results.

First Lien Intercreditor Agreement means the intercreditor agreement dated as of November 5, 2009, among The Bank of New York Mellon, as Collateral Agent, Credit Suisse, as Representative under the Credit Agreement, The Bank of New York Mellon, as Representative under the 2009 Indenture, each additional Representative from time to time party thereto and the grantors party thereto, as from time to time amended, supplemented or modified.

Fixed Charge Coverage Ratio means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that BP I, BP II or any Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the *Calculation Date*), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; *provided, however*, that the pro forma calculation of Consolidated Interest Expense shall not give effect to (a) any Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued on the date of determination pursuant to the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified and Preferred Stock and (b) the repayment, repurchase or redemption of any Indebtedness, Disqualified Stock or Preferred Stock to the extent such repayment, repurchase or redemption results from the proceeds of Indebtedness, Disqualified Stock or Preferred Stock Incurred or issued pursuant to the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified and Preferred Stock.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations and consolidations (in each case including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a

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business, and any operational changes that BP I, BP II or any of the Restricted Subsidiaries has determined to make or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date (each, for purposes of this definition, a *pro forma event*) shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations and consolidations (in each case including the Transactions), discontinued operations and operational changes (and the change of any associated Fixed Charges (calculated in accordance with the proviso in the prior paragraph) and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into BP I or BP II or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of BP I or BP II. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of BP I or BP II as set forth in an Officers Certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions).

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of BP I or BP II to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuers may designate.

Fixed Charges means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

Foreign Subsidiary means, with respect to any Person, any Subsidiary of such Person that is not a Domestic Subsidiary of such Person.

GAAP means the International Financial Reporting Standards (*IFRS*) as in effect (except as otherwise provided in the Indenture in relation to financial reports and other information to be delivered to Holders) on the Reference Date. Except as otherwise expressly provided in the Indenture, all ratios and calculations based on GAAP contained in the Indenture shall be computed in conformity with GAAP. At any time after the Issue Date, BP I, BP II and the Issuers may elect to apply generally accepted accounting principles in the United States (*US GAAP*) in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean US GAAP as in effect (except as otherwise provided in the Indenture) on the date of such election; *provided* that any such election, once made, shall be irrevocable and that, upon first reporting its fiscal year results under US GAAP each of BP I, BP II and each of the Issuers shall restate its financial statements on the basis of US GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of US GAAP; *provided further, however*, that in the event BP I, BP II and the Issuers have made such an election and are thereafter required by applicable law to apply IFRS in lieu of US GAAP (or IFRS is a successor to US GAAP) (any such change, a *Required Change*), they shall be entitled to apply IFRS, and that upon subsequently reporting its fiscal year results on the basis of IFRS in lieu of US GAAP each of BP I, BP II and each of the Issuers shall restate its financial statements on the basis of IFRS for the fiscal year ending immediately prior to the fiscal year after such Required Change. In the event that BP I, BP II and the Issuers are required to make the Required Change, references herein to GAAP shall be construed to mean IFRS as in effect on the date of such Required Change. The Issuers shall give notice of election to apply US GAAP or requirement to apply IFRS to the Trustee and the Holders.

guarantee means a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

Hedging Obligations means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

holder , *Holder* or *noteholder* means the Person in whose name a Note is registered on the Registrar s books.

IASB means the International Accounting Standards Board and any other organization or agency that shall issue pronouncements regarding the application of GAAP.

including means including without limitation.

Incur means issue, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

Indebtedness means, with respect to any Person (without duplication):

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP), (d) in respect of Capitalized Lease Obligations or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided, however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person; and

(4) to the extent not otherwise included, with respect to BP I, BP II and the Restricted Subsidiaries, the amount then outstanding (*i.e.*, advanced, and received by, and available for use by, BP I, BP II or any Restricted Subsidiaries) under any Receivables Financing (as set forth in the books and records of BP I, BP II or any Restricted Subsidiary and confirmed by the agent, trustee or other representative of the institution or group providing such Receivables Financing) to the extent there is recourse to BP I, BP II or the Restricted Subsidiaries (as that term is understood in the context of recourse and non-recourse receivable financings);

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues or marketing fees; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing; (5) obligations under the Acquisition Documents, the Reynolds Acquisition Documents or the Evergreen Acquisition Documents; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under the Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Indenture.

Independent Financial Advisor means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuers, qualified to perform the task for which it has been engaged.

Initial Purchaser means Credit Suisse Securities (USA) LLC.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

Investment Grade Securities means:

(1) securities issued or directly and fully guaranteed or insured by the US, U.K., Canadian, Swiss or Japanese government or any member state of the European Monetary Union or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody s or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency, but excluding any debt securities or loans or advances between and among BP I, BP II and their respective Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

Investments means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers in the ordinary course of business and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of BP I or BP II in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of Unrestricted Subsidiary and the covenant described under Certain Covenants Limitation on Restricted Payments:

(1) Investments shall include the portion (proportionate to BP I s or BP II s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, BP I or BP II, as applicable, shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) BP I s or BP II s Investment in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to BP I s or BP II s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of each Issuer.

Issue Date means May 4, 2010, the date on which the Notes were originally issued.

June 2007 Transactions means the Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of May 11, 2007, prepared by Deloitte & Touche), including borrowings under the 2007 Credit Agreement then in effect, the borrowings under a senior subordinated bridge loan and the refinancing of such senior subordinated bridge loan and partial prepayment of the 2007 Credit Agreement with the proceeds of the issuance of the 2007 Senior Notes and the 2007 Senior Subordinated Notes, and the contribution (through holding companies of RGHL) by Rank and certain other investors arranged by Rank of common equity, preferred equity or Subordinated Shareholder Funding to BP I and BP II.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement or any lease in the nature thereof); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

Local Facility means a working capital facility provided to a Subsidiary of RGHL by a Local Facility Provider in respect of which a Local Facility Certificate has been delivered, and not cancelled, under the terms of (and as such term is defined in) the 2007 Intercreditor Agreement and the First Lien Intercreditor Agreement and which constitutes a Secured Local Facility as defined in the Credit Agreement Documents.

Local Facility Agreement means the agreement under which a Local Facility is made available.

Local Facility Provider means a lender or other bank or financial institution that has acceded to the First Lien Intercreditor Agreement, as applicable, and the 2007 Intercreditor Agreement as a provider of a Local Facility.

Luxembourg Proceeds Loans means (a) the intercompany loan from the Luxembourg Issuer to BP III, dated November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the 2009 Notes, (b) the intercompany loan from the Luxembourg Issuer to BP III, dated May 4, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Notes and (c) the intercompany loan from the Luxembourg Issuer to BP III, dated November 16, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the October 2010 Senior Notes.

Management Group means the group consisting of the directors, executive officers and other management personnel of BP I, BP II or any direct or indirect parent of BP I or BP II, as the case may be, on the Reference Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, was approved by a vote of a majority of the directors of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, then still in office who were either directors on the Reference Date or

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whose election or nomination was previously so approved and (2) executive officers and other management personnel of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable, hired at a time when the directors on the Reference Date together with the directors so approved constituted a majority of the directors of BP I, BP II or any direct or indirect parent of BP I or BP II, as applicable.

May 2010 Indenture means the Senior Notes Indenture dated as of May 4, 2010, among Reynolds Group Issuer LLC, Reynolds Group Issuer Inc., Reynolds Group Issuer (Luxembourg) S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

May 2010 Notes means the $1,000.0 million aggregate principal amount of 8.5% Senior Notes due 2018 issued pursuant to the May 2010 Indenture.

Moody s means Moody s Investors Service, Inc. or any successor to the rating agency business thereof.

Net Proceeds means the aggregate cash proceeds received by BP I, BP II or any Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding (i) the assumption by the acquiring person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form and (ii) the aggregate cash proceeds received by BP I, BP II or any Restricted Subsidiaries in respect of the sale of any Non-Strategic Land since the Reference Date in an aggregate amount of up to 25.0 million), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under either Certain Covenants Asset Sales Asset Sales) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by BP I or BP II as a reserve in accordance with GAAP against any liabilities associated with the asset disposed in such transaction and retained by BP I or BP II after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

Net Profit means, with respect to any Person, the Net Profit (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

Non-Strategic Land means (a) the investment properties in which BP II, BP I or their respective Subsidiaries had an interest at the Reference Date which are a proportion of the real property owned by SIG Combibloc GmbH located at Linnich & Wittenberg in Germany, real property owned by SIG Finanz AG (which was absorbed by SIG Combibloc Group AG (formerly SIG Holding AG) by means of a merger effective as of June 15, 2010) located at Newcastle in England, real property owned by SIG Moldtec GmbH & Co. KG, real property owned by SIG Schweizerische Industrie-Gesellschaft AG and located at Neuhausen in Switzerland, Beringen in Switzerland, Rafz in Switzerland, Ecublens in Switzerland and Romanel in Switzerland, real property owned by SIG Combibloc Group AG (formerly SIG Holding AG) located in Beringen in Switzerland, real property owned by SIG Euro Holding AG & Co. KG aA located at Waldshut-Tiengen in Germany and real property owned by SIG Real Estate GmbH & Co. KG located at Neunkirchen in Germany and (b) other properties in which BP II, BP I or their respective Subsidiaries have an interest from time to time and which is designated by BP II in an Officers Certificate delivered to the Trustee as not required for the ongoing business operations of BP II, BP I and their respective Subsidiaries.

Note Guarantee means any guarantee of the obligations of the Issuers under the Indenture and the Notes by any Person in accordance with the provisions of the Indenture.

Note Guarantors means RGHL, BP I, BP III, the Restricted Subsidiaries that entered into the Indenture on the Issue Date (other than the Issuers) and any Person that subsequently becomes a Note Guarantor in accordance with the terms of the Indenture; *provided* that upon the release or discharge of such Person from its Note Guarantee in accordance with the Indenture, such Person shall cease to be a Note Guarantor.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Notes.

Obligor means any Issuer or a Note Guarantor.

October 2010 Notes means the October 2010 Senior Secured Notes and the October 2010 Senior Notes.

October 2010 Senior Indenture means the Senior Notes Indenture dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow I Inc., RGHL Escrow Issuer (Luxembourg) I S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent and Registrar and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

October 2010 Senior Notes means the $1,500.0 million aggregate principal amount of 9.000% Senior Notes due 2019 issued pursuant to the October 2010 Senior Indenture.

October 2010 Senior Secured Indenture means the Senior Secured Notes Indenture dated as of October 15, 2010, among RGHL US Escrow I LLC, RGHL US Escrow I Inc., RGHL Escrow Issuer (Luxembourg) I S.A., The Bank of New York Mellon as Trustee, Principal Paying Agent, Transfer Agent, Collateral Agent and Registrar, Wilmington Trust (London) Limited as Additional Collateral Agent and The Bank of New York Mellon, London Branch as Paying Agent, as supplemented, amended and modified from time to time thereafter.

October 2010 Senior Secured Notes means the $1,500.0 million aggregate principal amount of 7.125% Senior Secured Notes due 2019 issued pursuant to the October 2010 Senior Secured Indenture.

Offer means the public tender offer by RGHL for all publicly held Target Shares.

Offer Prospectus means the prospectus dated December 22, 2006 and the amendments to the prospectus dated February 2, 2007 and March 13, 2007 as published in the Swiss national press.

Offering Circular means the Offering Circular dated April 28, 2010, with respect to the original issuance of the Notes.

Officer of any Person means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person or any other person that the board of directors of such person shall designate for such purpose.

Officers Certificate means a certificate signed on behalf of BP I or, if otherwise specified, an Issuer, by two Officers of BP I or an Issuer, as applicable, or of a Subsidiary or parent of BP I or an Issuer, as applicable, that is designated by BP I or an Issuer, as applicable, one of whom must be the principal executive officer, the principal financial officer, the treasurer, the principal accounting officer or similar position of BP I or the Issuers, as applicable, or such Subsidiary or parent that meets the requirements set forth in the Indenture and is in form and substance satisfactory to the Trustee.

Opinion of Counsel means a written opinion addressed to the Trustee from legal counsel in form and substance satisfactory to the Trustee. The counsel may be an employee of or counsel to BP I or BP II.

Permitted Holders means, at any time, each of (i) Rank, (ii) the Management Group and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of BP I or BP II or any of their Affiliates. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

Permitted Investments means:

(1) any Investment in BP I, BP II or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by BP I, BP II or any Restricted Subsidiary in a Person, including in the Equity Interests of such Person, if as a result of such Investment (a) such Person becomes a Restricted Subsidiary or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or Substantially All of its assets to, or is liquidated into, BP I, BP II or a Restricted Subsidiary;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of Certain Covenants Asset Sales or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided* that the amount of any such Investment only may be increased as required by the terms of such Investment as in existence on the Issue Date;

(6) advances to officers, directors or employees, taken together with all other advances made pursuant to this clause (6), not to exceed the greater of 5.0 million and 0.25% of Total Assets at any one time outstanding;

(7) any Investment acquired by BP I, BP II or any of the Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by BP I, BP II or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, (b) as a result of a foreclosure by BP I, BP II or any Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default, (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates or (d) in settlement of debts created in the ordinary course of business;

(8) Hedging Obligations permitted under clause (j) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(9) any Investment by BP I, BP II or any Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of 75.0 million and 3.25% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) additional Investments by BP I, BP II or any Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that

time outstanding (after giving effect to the sale or other transfer of an Unrestricted Subsidiary to the extent the proceeds of such sale received by BP I, BP II and the Restricted Subsidiaries consists of cash and Cash Equivalents), not to exceed 75.0 million at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person s purchase of Equity Interests of BP I, BP II or any direct or indirect parent of BP I or BP II;

(12) Investments the payment for which consists of Equity Interests or Subordinated Shareholder Funding of BP I or BP II (other than Disqualified Stock) or any direct or indirect parent of BP I or BP II, as applicable; *provided, however*, that such Equity Interests will not increase the amount available for Restricted Payments under clauses (2) and (3) of the definition of Cumulative Credit contained in Certain Covenants Limitation on Restricted Payments;

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under Certain Covenants Transactions with Affiliates (except transactions described in clauses (2), (6), (7) and (11)(b) of such paragraph);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with the covenants described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Future Note Guarantors;

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness; *provided, however*, that any Investment in a Receivables Subsidiary is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer s group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Receivables Financing;

(20) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with BP I, BP II or a Restricted Subsidiary in a transaction that is not prohibited by the covenant described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or

consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(21) guarantees by BP I, BP II or any Restricted Subsidiaries of operating leases (other than Capitalized Lease Obligations), trademarks, licenses, purchase agreements or of other obligations that do not constitute Indebtedness, in each case entered into by BP I, BP II or any Restricted Subsidiary in the ordinary course of business consistent with past practice;

(22) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) that are otherwise a Permitted Lien or made in connection with a Permitted Lien; and

(23) any Indebtedness permitted under clause (y) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

Permitted Liens means, with respect to any Person:

(1) pledges or deposits by such Person under workmen s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or US government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers , warehousemen s and mechanics Liens, in each case for sums not yet overdue by more than 60 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings and for which there are adequate reserves set aside in accordance with GAAP or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuers, RGHL and the Restricted Subsidiaries taken as a whole;

(4) Liens (i) required by any regulatory or government authority or (ii) in favor of issuers of performance and surety bonds or bid bonds or letters of credit or completion guarantees issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties Incurred in the ordinary course of business and title defects or irregularities that are of a minor nature and which do not in the aggregate materially impair the operation of the business of such Person;

(6) (i) Liens securing an aggregate principal amount of Indebtedness not to exceed the maximum principal amount of Indebtedness that, as of the date such Indebtedness was Incurred, and after giving effect to the Incurrence of such Indebtedness and the application of proceeds therefrom on such date, would not cause the Secured Leverage Ratio of BP I and BP II on a combined basis to exceed 4.50 to 1.00; (ii) Liens securing Indebtedness Incurred pursuant to clause (a) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (iii) Liens securing the 2009 Notes (or any guarantees thereof); (iv) Liens securing Indebtedness Incurred pursuant to clause (d) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; and (v) Liens securing the 2007 Notes (or any guarantees thereof) as in effect on the Issue

Date and any Lien that replaces the Lien in existence on the Issue Date so long as such replacement Lien is in respect of the same property as the Lien in existence on the Issue Date;

(7) Liens existing on the Issue Date (other than Liens described in clause (6));

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided, however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided further, however*, that such Liens may not extend to any other property owned by BP I, BP II or any Restricted Subsidiary;

(9) Liens on assets or property at the time BP I, BP II or a Restricted Subsidiary acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into BP I, BP II or any Restricted Subsidiary; *provided, however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided further, however*, that the Liens may not extend to any other property owned by BP I, BP II or any Restricted Subsidiary;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to BP I, BP II or another Restricted Subsidiary permitted to be Incurred in accordance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;

(11) Liens securing Hedging Obligations not Incurred in violation of the Indenture; *provided* that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person s obligations in respect of bankers acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, subleases, licenses and sublicenses of real property which do not materially interfere with the ordinary conduct of the business of BP I, BP II or any Restricted Subsidiaries;

(14) Liens on assets or property of BP I, BP II or any Restricted Subsidiary securing the Notes or any Note Guarantees;

(15) Liens in favor of BP I, BP II or any Note Guarantor;

(16) Liens (i) on accounts receivable and related assets of the type specified in the definition of Receivables Financing Incurred in connection with a Qualified Receivables Financing and (ii) on inventory that is equipment used in the product filling process Incurred in connection with a Financing Disposition;

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries and on the Equity Interests of joint ventures securing obligations of such joint ventures;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6) (other than clause (6)(v)), (7), (8), (9), (10), (15) and (20); *provided, however*, that (x) such new Lien shall be limited to all or part of the same property (including any after acquired property to the extent it would have been subject to a Lien in respect of the Indebtedness being refinanced, refunded, extended, renewed or replaced) that secured the original Lien as in effect immediately prior to the refinancing, refunding, extension, renewal

or replacement of the Indebtedness secured by such Lien (plus improvements on such property), (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6) (other than clause (6)(v)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Indenture and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement and

(z) such new Lien shall not have priority over, rank ahead of, or otherwise be senior pursuant to any intercreditor agreement to the original Lien securing the Indebtedness being refinanced, refunded, extended, renewed or replaced; *provided further, however*, that in the case of any Liens to secure any refinancing, refunding, extension, renewal or replacement of Indebtedness secured by a Lien referred to in any of clauses (6) (other than clause (6)(v)), (7), (8), (9) or (10), the principal amount of any Indebtedness Incurred for such refinancing, refunding, extension, renewal or replacement shall be deemed secured by a Lien under such original clause and not this clause (20) for purposes of determining the principal amount of Indebtedness outstanding under clause 6(i);

(21) Liens on equipment of BP I, BP II or any Restricted Subsidiary granted in the ordinary course of business to BP I s, BP II s or such Restricted Subsidiary s client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens arising by virtue of any statutory or common law provisions relating to banker s liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution;

(25) any interest or title of a lessor under any Capitalized Lease Obligation;

(26) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(27) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(28) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed 15.0 million at any one time outstanding;

(29) Liens arising from Uniform Commercial Code filings regarding operating leases entered into by BP I, BP II and the Restricted Subsidiaries in the ordinary course of business;

(30) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents; and

(31) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets prior to completion.

Person means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Pre-Announcement means the pre-announcement of the Offer pursuant to Article 7, et seq. TOO (*Voranmeldung*) as published by electronic media on 19 December 2006 and in the print media on 21 December 2006.

Preferred Stock means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution or winding-up.

Public Debt means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S of such Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC. The term Public Debt (i) shall not include the Notes (or any Additional Notes) and

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(ii) for the avoidance of doubt, shall not be construed to include any Indebtedness issued to institutional investors in a direct placement of such Indebtedness that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than 10 Persons (*provided* that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not to be underwritten), or any commercial bank or similar Indebtedness, Capitalized Lease Obligation or recourse transfer of any financial asset or any other type of Indebtedness Incurred in a manner not customarily viewed as a securities offering.

Purchase Money Note means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from BP I, BP II or any of their respective Subsidiaries to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

Qualified Receivables Financing means any Receivables Financing that meets the following conditions:

(1) the Board of Directors of BP I or BP II shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to BP I or BP II or, as the case may be, the Subsidiary in question;

(2) all sales of accounts receivable and related assets are made at Fair Market Value; and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuers) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of BP I, BP II or any of their respective Subsidiaries (other than a Receivables Subsidiary or the Subsidiary undertaking such Receivables Financing) to secure Indebtedness under the Credit Agreement, Indebtedness in respect of the Notes or any Refinancing Indebtedness with respect to the Notes shall not be deemed a Qualified Receivables Financing.

Rank means (i) Mr. Graeme Richard Hart (or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs or any of his immediate family members), and any of his or their Affiliates (each a *Rank Party*) and (ii) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Rank Party; *provided* that in the case of (ii) (x) any Rank Party owns a majority of the voting power of the Voting Stock of BP I and BP II or any direct or indirect parent of BP I or BP II, as applicable, (y) no other Person has beneficial ownership of any of the Voting Stock included in determining whether the threshold set forth in clause (x) has been satisfied and (z) any Rank Party controls a majority of the Board of Directors of each of BP I and BP II or any direct or indirect parent of BP I or BP II, as applicable.

Rating Agency means (1) each of Moody s and S&P and (2) if Moody s or S&P ceases to rate the Notes for reasons outside of the Issuers control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuers or any direct or indirect parent of an Issuer as a replacement agency for Moody s or S&P, as the case may be.

Receivables Fees means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

Receivables Financing means any transaction or series of transactions that may be entered into by BP I, BP II or any of their respective Subsidiaries pursuant to which BP I, BP II or any of their respective Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of BP I, BP II or any of their respective Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by BP I, BP II or any such Subsidiary in connection with such accounts receivable.

Receivables Repurchase Obligation means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

Receivables Subsidiary means a Wholly Owned Subsidiary of BP I or BP II (or another Person formed for the purposes of engaging in Qualified Receivables Financing with BP I or BP II in which BP I or BP II or any of Subsidiary of BP I or BP II makes an Investment and to which BP I, BP II or any Restricted Subsidiary transfers accounts receivable and related assets) that engages in no activities other than in connection with the financing of accounts receivable of BP I, BP II and their respective Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and that is designated by the Board of Directors of each of the Issuers (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by BP I, BP II or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of and interest on Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is with recourse to or obligates BP I, BP II or any Subsidiary of BP I or BP II in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of BP I, BP II or any other Subsidiary of BP I or BP II, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither BP I, BP II nor any other Restricted Subsidiary has any material contract, agreement, arrangement or understanding other than on terms which BP I or BP II reasonably believes to be no less favorable to BP I, BP II or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of any Issuer; and

(c) to which neither BP I, BP II nor any other Restricted Subsidiary has any obligation to maintain or preserve such entity s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of each of the Issuers shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of each of the Issuers giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing conditions.

Reference Date means June 29, 2007.

Registration Rights Agreement means the Registration Rights Agreement related to the Notes, dated as of the Issue Date, among the Issuers, the Note Guarantors and the Initial Purchaser, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements between the Issuers and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Issuers to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

Representative means the trustee, agent or representative (if any) for any Indebtedness; *provided* that if, and for so long as, any Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

Restricted Cash means cash and Cash Equivalents held by BP I, BP II or any Restricted Subsidiaries that are contractually restricted from being distributed or otherwise paid to any Issuer or not available for general corporate purposes, except for such restrictions that are contained in agreements governing Indebtedness permitted under the Indenture.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this Description of the May 2010 Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP I and BP II.

Reynolds 2007 Credit Agreement means the Senior Secured Facilities Agreement dated February 21, 2008, among Reynolds Packaging Group (NZ) Limited, Closure Systems International Holdings Inc., Closure Systems International B.V., Reynolds Consumer Products Holdings Inc. and Reynolds Treasury (NZ) Limited, as borrowers, the Lenders party thereto, Australia and New Zealand Banking Group Limited, BOS International (Australia) Limited, Calyon Australia Limited and Credit Suisse, as joint lead arrangers and underwriters, and Credit Suisse as facility agent and security trustee, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

Reynolds Acquisition means collectively (a) the acquisition by BP III of all the Equity Interests of each of Closure Systems International (Luxembourg) S.àr.l and Reynolds Consumer Products (Luxembourg) S.àr.l and (b) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all the Equity Interests of Reynolds Consumer Products Holdings Inc.

Reynolds Acquisition Documents means the (i) Stock Purchase Agreement, dated as of October 15, 2009, by and among BP III, Reynolds Group Holdings Inc., a direct wholly-owned subsidiary of BP III, and Reynolds Consumer Products (NZ) Limited, a New Zealand company and (ii) Stock Purchase Agreement, dated as of October 15, 2009, by and between BP III and Closure Systems International (NZ) Limited, a New Zealand company, and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to November 5, 2009.

Reynolds Transactions means the Reynolds Acquisition and the transactions related thereto (including the transactions contemplated in that certain Steps Plan and Structure Chart dated November 3, 2009, prepared by RGHL), including the repayment of the Reynolds 2007 Credit Agreement, the issuance and guarantee of, and granting of security in relation to, the 2009 Notes, the entering into and borrowings and guarantees under, and granting of security in relation to, the Senior Secured Credit Facilities, the amendment to the 2007 Intercreditor Agreement, entry into the First Lien Intercreditor Agreement and the contribution by RGHL of funds in return for common equity of BP I.

RP Reference Date means November 5, 2009.

Sale/Leaseback Transaction means an arrangement relating to property now owned or hereafter acquired by BP I, BP II or a Restricted Subsidiary whereby BP I, BP II or a Restricted Subsidiary transfers such property to a Person and BP I, BP II or such Restricted Subsidiary leases it from such Person, other than leases between BP I, BP II and a Restricted Subsidiary or between Restricted Subsidiaries.

S&P means Standard & Poor s Ratings Group or any successor to the rating agency business thereof.

SEC means the Securities and Exchange Commission.

Secured Indebtedness means any Indebtedness secured by a Lien.

Secured Leverage Ratio means, with respect to any Person at any date, the ratio of (i) Secured Indebtedness of such Person less the amount of Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding the Secured Leverage Calculation Date (as defined below); *provided, however*, that for the purposes of this definition of Secured Leverage Ratio, Secured Indebtedness shall not include any Indebtedness represented by the 2007 Senior Notes (including the guarantees thereof) or the 2007 Senior Subordinated Notes (including the guarantees thereof) for long as such 2007 Notes are outstanding; *provided further, however,* that in the event that at any time after the Issue Date, any of the 2007 Senior Notes or any or the 2007 Senior Subordinated Notes is secured by any Lien that did not secure such 2007 Senior Notes or 2007 Senior Subordinated Notes on the Issue Date (other than any Lien that replaces the Lien in existence on the Issue Date so long as such replacement Lien is in respect of the same property as the Lien in existence on the Issue Date), such 2007 Senior Notes or 2007 Senior Subordinated Notes shall be deemed Secured Indebtedness for the purposes of this definition of Secured Leverage Ratio for so long as such Lien secures such 2007 Senior Notes or 2007 Senior Subordinated Notes. In the event that such Person or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Secured Indebtedness subsequent to the commencement of the period for which the Secured Leverage Ratio is being calculated but prior to the event for which the calculation of the Secured Leverage Ratio is made (the *Secured Leverage Calculation Date*), then the Secured Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Secured Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; *provided* that the Issuers may elect pursuant to an Officers Certificate delivered to the Trustee to treat all or any portion of the commitment under any Secured Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Secured Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that BP I, BP II or any of the Restricted Subsidiaries has determined to make or have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Secured Leverage Calculation Date (each, for purposes of this definition, a *pro forma event*) shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions), discontinued operations and other operational changes (and the change of any associated Secured Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into BP I, BP II or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Secured Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuers. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuers as set forth in an Officers Certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions).

Securities Act means the US Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Senior Indebtedness means, with respect to any Person, (a) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred and (b) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such

Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in clause (a), unless, in the case of clauses (a) and (b), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such Indebtedness or other Obligations in respect thereof are subordinate in right of payment to the Notes or the Note Guarantee of such Person, as the case may be; *provided, however*, that Senior Indebtedness shall not include:

(1) any obligation of such Person to BP I, BP II or any Subsidiary of BP I or BP II;

(2) any liability for national, state, local or other taxes owed or owing by such Person;

(3) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof (other than by way of letter of credit, bank guarantee, performance or other bond, or other similar obligation) or instruments evidencing such liabilities);

(4) any Capital Stock;

(5) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(6) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the Indenture.

Senior Secured Credit Facilities means the Credit Agreement dated as of November 5, 2009, among, among others, BP I and Credit Suisse, as administrative agent, the other financial institutions party thereto, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder (subject to compliance with the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

Significant Subsidiary means any Restricted Subsidiary that meets any of the following conditions:

(1) BP I s, BP II s and the Restricted Subsidiaries investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year;

(2) BP I s, BP II s and the Restricted Subsidiaries proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of BP I, BP II and the Restricted Subsidiaries on a combined consolidated basis as of the end of the most recently completed fiscal year; or

(3) BP I s, BP II s and the Restricted Subsidiaries equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of BP I, BP II and the Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

Similar Business means (a) any businesses, services or activities engaged in by BP I, BP II or any their respective Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by BP I, BP II or any their respective Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

Squeeze-Out means the acquisition pursuant to Article 33 of the Swiss Federal Stock Exchanges and Securities Trading Act (SR954.1) by BP III of the remaining Target Shares after at least 98% of the Target s Voting Stock has been acquired by BP III at the end of the Offer.

Standard Securitization Undertakings means representations, warranties, covenants, indemnities and guarantees of performance entered into by BP I, BP II or any Subsidiary of BP I or BP II which BP I or BP II has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

Stated Maturity means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

Subordinated Indebtedness means (a) with respect to any Issuer, any Indebtedness of such Issuer which is by its terms subordinated in right of payment to the Notes and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

Subordinated Shareholder Funding means, collectively, any funds provided to BP I or BP II by any direct or indirect parent, any Affiliate of any direct or indirect parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of BP I or BP II or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by any intercreditor agreement;

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by any intercreditor agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (in each case, prior to the first anniversary of the Stated Maturity of the Notes) or the payment of any amount as a result of any such action or provision, or the exercise of any rights or enforcement action (in each case, prior to the first anniversary of the Stated Maturity of the Notes) is restricted by any intercreditor agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of BP I, BP II or any of their respective Subsidiaries;

(5) pursuant to its terms or pursuant to any intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the 2007 Intercreditor Agreement as in effect on the Issue Date with respect to the Senior Creditors (as defined therein) in relation to Parentco Debt (as defined therein);

provided that any event or circumstance that results in such subordinated obligation ceasing to qualify as Subordinated Shareholder Funding, including it ceasing to be held by any direct or indirect parent, any Affiliate of any direct or indirect parent or any Permitted Holder or any Affiliate thereof, shall constitute an Incurrence of such Indebtedness by

BP I, BP II or such Restricted Subsidiary.

Subsidiary means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Substantially All when used in relation to assets, means assets of the relevant entity or entities having a market value of at least 75% of the market value of all of the assets of such entity or entities at the date of the relevant transactions.

Target means SIG Combibloc Group AG (formerly SIG Holding AG), a company limited by shares incorporated in Switzerland registered in the Commercial Register of the Canton of Schaffhausen with the register number CH-290.3.004.149-2.

Target Shares means all of the registered shares of Target.

Tax Distributions means any distributions described in clause (12) of the covenant entitled Certain Covenants Limitation on Restricted Payments.

Taxes means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

TOO means the Ordinance of the Swiss Takeover Board on Public Takeover Offers in effect until December 31, 2008 (SR 954.195.1).

Total Assets means the total combined consolidated assets of BP I, BP II and the Restricted Subsidiaries, as shown on the most recent combined balance sheet of BP I and BP II.

Transactions means the June 2007 Transactions, the Reynolds Transactions and the Evergreen Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Notes, as of any redemption date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date the redemption notice is mailed (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to May 15, 2014; *provided* that if the period from the redemption date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Trust Officer means any officer within the corporate trust department of the Trustee, including any managing director, vice president, senior associate or any other officer of the Trustee (1) who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person s knowledge of and familiarity with the particular subject and (2) who shall have direct responsibility for the administration of the Indenture.

Trustee means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

Unrestricted Subsidiary means:

(1) any Subsidiary of BP I or BP II that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of RGHL may designate any Subsidiary (other than any Issuer) of BP I or BP II (including any newly acquired or newly formed Subsidiary of BP I or BP II) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, BP I or BP II or any other Subsidiary of BP I or BP II that is not a Subsidiary of the Subsidiary to be so designated; *provided, however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of BP I, BP II or any of the Restricted Subsidiaries; *provided further, however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of 1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than 1,000, then such designation would be permitted under the covenant described under Certain Covenants Limitation on Restricted Payments.

The Board of Directors of each of the Issuers may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that immediately after giving effect to such designation:

(x) (1) BP I or BP II could Incur 1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, or (2) the Fixed Charge Coverage Ratio for BP I, BP II and its Restricted Subsidiaries would be greater than such ratio for BP I, BP II and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors of each of the Issuers shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of each of the Issuers giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing provisions.

US Controlled Foreign Subsidiary means any Person that (A)(i) is a Foreign Subsidiary and (ii) is a controlled foreign corporation within the meaning of Section 957(a) of the Code and the US Treasury Regulations thereunder or (B)(i) is a Domestic Subsidiary and (ii) has no material assets other than securities of one or more Foreign Subsidiaries (which are controlled foreign corporations within the meaning of Section 957(a) of the Code and the US Treasury Regulations thereunder) of such Domestic Subsidiary and indebtedness issued by such Foreign Subsidiaries.

US Proceeds Loans means (a) the intercompany loan from the US Issuer I to Closure Systems International Holdings Inc., dated as of November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the 2009 Notes, (b) the intercompany loan from the US Issuer I to Reynolds Group Holdings Inc., dated as of November 5, 2009 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the 2009 Notes, (c) the intercompany loan from the US Issuer I to Reynolds Group Holdings Inc., dated May 4, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Notes, (d) the intercompany loan from U.S. Issuer I to Reynolds Acquisition Corporation, dated November 16, 2010 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds of the October 2010 Notes and (e) the intercompany loan from the US Issuer I to Pactiv Corporation, dated February 1, 2011 (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the February 2011 Notes.

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Weighted Average Life to Maturity means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

Wholly Owned Restricted Subsidiary is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

Wholly Owned Subsidiary of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares or other similar shares required pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

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DESCRIPTION OF THE OCTOBER 2010 SENIOR SECURED NOTES

General

On October 15, 2010, RGHL US Escrow I LLC, a Delaware limited liability company (the *US LLC Escrow Issuer*), RGHL US Escrow I Inc., a Delaware corporation (the *US Corporate Escrow Issuer* and, together with the US LLC Escrow Issuer, the *US Escrow Issuers*) and RGHL Escrow Issuer (Luxembourg) I S.A., a company incorporated as a société anonyme (a public limited liability company) under the laws of Luxembourg (the *Lux Escrow Issuer* and, together with the US Escrow Issuers, the *Escrow Issuers*), issued $1,500,000,000 aggregate principal amount of Senior Secured Notes (the *Senior Secured Notes*) pursuant to a Senior Secured Notes Indenture (the *Senior Secured Notes Indenture*), among themselves, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent, Registrar and Collateral Agent, The Bank of New York Mellon, London Branch, as Paying Agent and Wilmington Trust (London) Limited, as Additional Collateral Agent. Proceeds of the offering were held in escrow until November 16, 2010. Upon the initial issuance of the Senior Secured Notes, the Senior Secured Notes were obligations of the Escrow Issuers, and were not obligations of Reynolds Group Issuer LLC, a Delaware limited liability company (the *U.S. Issuer I*), Reynolds Group Issuer Inc., a Delaware corporation (the *U.S. Issuer II* and, together with the U.S. Issuer I, the *U.S. Issuers*), Reynolds Group Issuer (Luxembourg) S.A., a company incorporated as a société anonyme (a public limited liability company) under the laws of Luxembourg (the *Luxembourg Issuer* and, together with the U.S. Issuers, the *Issuers*) or the Senior Secured Note Guarantors (as defined below). On November 16, 2010, (i) the U.S. LLC Escrow Issuer merged with and into the U.S. Issuer I, with the U.S. Issuer I surviving the merger and assuming by operation of law the obligations of the U.S. LLC Escrow Issuer under the Senior Secured Notes Indenture, the Senior Secured Notes and the other applicable documents, (ii) the U.S. Corporate Escrow Issuer merged with and into the U.S. Issuer II, with the U.S. Issuer II surviving the merger and assuming by operation of law the obligations of the U.S. Corporate Escrow Issuer under the Senior Secured Notes Indenture, the Senior Secured Notes and the other applicable documents, and (iii) the Lux Escrow Issuer merged with and into the Luxembourg Issuer, with the Luxembourg Issuer surviving the merger and assuming by operation of law the obligations of the Lux Escrow Issuer under the Senior Secured Notes Indenture, the Senior Secured Notes and the other applicable documents.

The terms of the new Senior Secured Notes are substantially identical to the terms of the old Senior Secured Notes, except that the new Senior Secured Notes are registered under the Securities Act and therefore will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP or ISIN number from the old Senior Secured Notes and will not entitle their holders to registration rights. The new Senior Secured Notes will otherwise be treated as the old Senior Secured Notes for purposes of the Senior Secured Notes Indenture.

The Senior Secured Notes Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Senior Secured Notes. Copies of the Senior Secured Notes Indenture and the Senior Secured Notes are filed as exhibits to the registration statement of which this prospectus forms a part and will be made available to holders of the Senior Secured Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the October 2010 Senior Secured Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of the October 2010 Senior Secured Notes section, (1) *we* , *us* and *our* mean Beverage Packaging Holdings (Luxembourg) I S.A. (including any successor in interest thereto, *BP I*) and its Subsidiaries (including the Issuers) and (2) *RGHL* refers only to Reynolds Group Holdings Limited (including any successor in interest thereto). For all purposes of the Senior Secured Notes Indenture and this Description of the October 2010 Senior Secured Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Senior Secured Notes in this Description of the October 2010 Senior

Secured Notes refers to the new Senior Secured Notes and any old Senior Secured Notes that are not exchanged in the exchange offer.

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The Senior Secured Notes and the Senior Notes were incurred pursuant to the fixed charge coverage ratio incurrence test, or applicable baskets provided for, under the May 2010 Indenture, the 2009 Indenture, the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture. The Indebtedness incurred under the Senior Secured Credit Facilities, the 2009 Notes and the Senior Secured Notes are classified as First Lien Obligations under the 2009 Indenture, the Senior Secured Notes Indenture, the indenture governing the 7.875% senior secured notes due 2019 and the indenture governing the 6.875% senior secured notes due 2021, First Priority Lien Obligations under the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture and Secured Indebtedness under the May 2010 Indenture, the Senior Notes Indenture, the February 2011 Secured Indenture and the August 2011 Secured Indenture. The Senior Notes are classified as Senior Indebtedness under the Senior Notes Indenture, the Senior Secured Notes Indenture, the May 2010 Indenture, the 2009 Indenture, the 2007 Senior Note Indenture, the 2007 Senior Subordinated Note Indenture, the February 2011 Secured Indenture, the February 2011 Senior Indenture, the August 2011 Secured Indenture, the August 2011 Senior Indenture and the February 2012 Senior Indenture. For a description of the Senior Secured Credit Facilities, see Description of Certain Other Indebtedness and Intercreditor Agreements. In addition, the Senior Secured Notes Indenture permits us to incur other Indebtedness that constitutes First Lien Obligations, which may have security interests in the Collateral that may be prior to, or *pari passu* with, the security interests securing the Senior Secured Notes and Senior Secured Note Guarantees and are classified as First Priority Lien Obligations under the 2007 Senior Note Indenture and 2007 Senior Subordinated Note Indenture and First Lien Obligations under the 2009 Indenture, the February 2011 Secured Indenture and the August 2011 Secured Indenture. Any such security interests in the Collateral may give the holders thereof rights with respect to the Collateral, including enforcement of the Liens with respect thereto, that may diminish the value of the security interests in the Collateral in favor of the Senior Secured Notes.

Brief Description of the Senior Secured Notes and the Senior Secured Note Guarantees

The Senior Secured Notes are general senior secured obligations of the Issuers and:

are the joint and several obligations of the Issuers;

are effectively senior to all of our unsecured Indebtedness to the extent of the value of the Collateral securing the Senior Secured Notes;

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of the Issuers, including, the May 2010 Notes, the 2009 Notes, the Senior Notes, the February 2011 Notes, the August 2011 Notes, the February 2012 Notes and the Senior Secured Credit Facilities;

are secured on a first-priority lien basis by the Collateral subject to a shared lien of equal priority with the Senior Secured Credit Facilities, the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and certain future First Lien Obligations and certain prior ranking liens permitted under the Indenture (see Certain Covenants Liens and Certain Definitions Permitted Liens);

are effectively subordinated to the other First Lien Obligations to the extent such First Lien Obligations are secured by property that does not also secure the Senior Secured Notes to the extent of the value of all such property;

are senior in right of payment to any existing and future Subordinated Indebtedness of the Issuers, including the Issuers guarantees of the 2007 Senior Notes and the 2007 Senior Subordinated Notes;

are guaranteed on a senior basis by the Senior Secured Note Guarantors and certain of such guarantees have the benefit of the security interests described below;

are not guaranteed by BP II, a finance Subsidiary of RGHL, and therefore are effectively subordinated to all claims that holders of 2007 Senior Notes and 2007 Senior Subordinated Notes may have against the assets of BP II (other than the proceeds loans made by BP II to BP I which is included in the Collateral); and are subordinated to all claims of creditors, including trade creditors, and claims of preferred stockholders (if any) of each of the Subsidiaries of RGHL (including BP II) that is not a Senior Secured Note Guarantor.

The Senior Secured Note Guarantees became effective on November 16, 2010 and are general senior obligations of each Senior Secured Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Senior Secured Note Guarantor;

are secured on a first priority lien basis by the Collateral owned by such Senior Secured Note Guarantor (if any), in each case, subject to a shared lien of equal priority with the Senior Secured Credit Facilities, the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes and certain future First Lien Obligations and certain prior ranking liens permitted under the Senior Secured Notes Indenture (see Certain Covenants Liens and Certain Definitions Permitted Liens);

are effectively subordinated to the other First Lien Obligations of such Senior Secured Note Guarantor to the extent such First Lien Obligations are secured by property that does not also secure the Senior Secured Notes to the extent of the value of all such property; and

are senior in right of payment to any Subordinated Indebtedness of such Senior Secured Note Guarantor, including such Senior Secured Note Guarantor s guarantee of the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

All security for the Senior Secured Notes and the Senior Secured Note Guarantees is granted and implemented consistent with the Agreed Security Principles. The Agreed Security Principles are designed to give us flexibility not to pledge certain of our assets even if we would otherwise be required to do so if, among other things, in our judgment, the cost of doing so is excessive in relation to the benefit accruing to the Holders. The Agreed Security Principles may limit the amount of stock, assets and other property we pledge as Collateral from time to time and may result in different classes or series of First Lien Obligations having different security interests in our stock, assets and other property.

Principal, Maturity and Interest

The Issuers issued an aggregate principal amount of $1,500,000,000 of Senior Secured Notes. The Issuers may issue additional Senior Secured Notes, from time to time *(Additional Senior Secured Notes)*. Any offering of Additional Senior Secured Notes is subject to the covenants described below under the caption Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Liens. The Senior Secured Notes and any Additional Senior Secured Notes subsequently issued under the Senior Secured Notes Indenture will be treated as a single class for all purposes under the Senior Secured Notes Indenture, including waivers, amendments, redemptions and offers to purchase. Holders of Additional Senior Secured Notes actually issued will share equally and ratably in the Collateral with the holders of the Senior Secured Notes. Unless the context otherwise requires, for all purposes of the Senior Secured Notes Indenture and this Description of the October 2010 Senior Secured Notes, references to the Senior Secured Notes include any Additional Senior Secured Notes actually issued.

The Senior Secured Notes will mature on April 15, 2019. Each Senior Secured Note bears interest at 7.125% per annum, payable semi-annually in arrears to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year, commencing April 15, 2011. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

The Senior Secured Notes are issued only in fully registered form, without coupons, in minimum denominations of $100,000 and any integral multiple of $1,000 in excess thereof.

No service charge will be made for any registration of transfer or exchange of Senior Secured Notes, but the Issuers may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. Principal of, premium, if any, and interest on the Senior Secured Notes will be payable, and the Senior Secured Notes may be exchanged or transferred, at the office or agency designated by the Issuers (which initially shall be the principal corporate trust office of the Paying Agent).

Paying Agent and Registrar for the Senior Secured Notes

The Issuers maintain a paying agent for the Senior Secured Notes in New York, NY. The Issuers have also undertaken under the Senior Secured Notes Indenture that they will ensure, to the extent practicable and permitted by law, that they maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income (the *Directive*) and currently intend to maintain a paying agent in London, England. The initial Paying Agent is The Bank of New York Mellon, in New York (the *Paying Agent*).

The Issuers also maintain one or more registrars (each, a *Registrar*) and a transfer agent in New York, NY. The initial Registrar is The Bank of New York Mellon. The initial transfer agent is The Bank of New York Mellon, in New York. The Registrar maintains a register outside the United Kingdom reflecting ownership of Definitive Registered Senior Secured Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Senior Secured Notes on behalf of the Issuers. The transfer agent shall perform the functions of a transfer agent.

The Issuers may change any Paying Agent, Registrar or transfer agent for the Senior Secured Notes without prior notice to the noteholders. BP I or any of its Subsidiaries may act as Paying Agent (other than with respect to Global Senior Secured Notes) or Registrar subject to the requirement to maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the Directive.

Upon written request from the Luxembourg Issuer, the Registrar shall provide the Luxembourg Issuer with a copy of the register to enable it to maintain a register of the Senior Secured Notes at its registered office.

Optional Redemption

In addition to the optional redemption for taxation reasons, as described below, on or after October 15, 2014, the Issuers may redeem the Senior Secured Notes at their option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on October 15 of the years set forth below. Without limiting the Issuers obligations under the Senior Secured Notes Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Period	**Redemption Price**
2014	103.563%
2015	101.781%
2016 and thereafter	100.000%

In addition, at any time and from time to time prior to October 15, 2014, the Issuers may redeem the Senior Secured Notes at their option, in whole or in part, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures), at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus the Applicable Premium (as calculated by the Issuers or on behalf of the Issuers by such person as the Issuers shall designate) as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Without limiting the Issuers obligations under the Senior Secured Notes Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, at any time and from time to time prior to October 15, 2013, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Senior Secured Notes (calculated after giving effect to any issuance of any Additional Senior Secured Notes) with the net cash proceeds of one or more Equity Offerings (1) by BP I or (2) any direct or indirect parent of BP I, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of BP I or any of its Subsidiaries or used to purchase Capital Stock (other than Disqualified Stock) of any such entity from it, at a redemption price (expressed as a percentage of principal amount thereof) of 107.125%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 65% of the original aggregate principal amount of the Senior Secured Notes (calculated after giving effect to any issuance of any Additional Senior Secured Notes) remain outstanding after each such redemption; *provided further*, *however*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days notice mailed to each holder of Senior Secured Notes being redeemed and otherwise in accordance with the procedures set forth in the Senior Secured Notes Indenture.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. Without limiting the Issuers obligations under the Senior Secured Notes Indenture, the Issuers may provide in such notice that payment of the redemption price and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Selection and Notice

If less than all of the Senior Secured Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Senior Secured Notes for redemption or repurchase on a pro rata basis, to the extent practicable and in compliance with the requirements of DTC and any stock exchange on which the applicable Senior Secured Notes are then admitted to trading; *provided, however*, that no Senior Secured Note of $100,000 in aggregate principal amount or less, or other than in an integral multiple of $1,000 in excess thereof, shall be redeemed in part.

If any Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Senior Secured Note, a new Senior Secured Note in currency and in principal amount equal to the unredeemed portion of the original Senior Secured Note will be issued in the name of the secured noteholder thereof upon cancellation of the original Senior Secured Note. In the case of a Global Senior Secured Note, an appropriate notation will be made on such Senior Secured Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Secured Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuers are not required to make any mandatory redemption or sinking fund payments with respect to the Senior Secured Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Senior Secured Notes as described under the captions Change of Control and Certain Covenants Asset Sales. We and our affiliates may at any time and from time to time purchase Senior Secured Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Senior Secured Notes, at their option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days prior notice (which notice will be irrevocable) to the secured noteholders mailed by first-class mail to each holder s registered address (or otherwise delivered in accordance with applicable DTC procedures) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and additional interest, if any, to the date fixed for redemption (a *Tax Redemption Date*) (subject to the right of secured noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined under Withholding Taxes below), if any, then due or that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers determine in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under Withholding Taxes below) affecting taxation; or

(2) any change in official position regarding the application, administration or interpretation of such laws, treaties, protocols, regulations or rulings (including a holding, judgment or order by a government agency or court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a *Change in Tax Law*),

any Payor (as defined under Withholding Taxes below), with respect to the Senior Secured Notes or a Senior Secured Note Guarantee is, or on the next date on which any amount would be payable in respect of the Senior Secured Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to such Payor (including the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through another Payor); *provided* that no Payor shall be required to take any measures that in the Issuers good-faith determination would result in the imposition on such person of any legal or regulatory burden or the incurrence by such person of additional costs, or would otherwise result in any adverse consequences to such person.

In the case of any Payor, the Change in Tax Law must be announced or become effective on or after the date of the Offering Circular. Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts. Prior to the publication, mailing or delivery of any notice of redemption of the Senior Secured Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officers Certificate stating that they are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to their right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Payor would be obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officers Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the secured noteholders.

Subject to the terms of the applicable redemption notice, Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Secured Notes or portions of them called for redemption.

The foregoing provisions will apply *mutatis mutandis* to the laws and official positions of any jurisdiction in which any successor to a Payor is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Senior Secured Notes Indenture.

Withholding Taxes

All payments made by any Issuer or any Senior Secured Note Guarantor or any successor in interest to any of the foregoing (each, a *Payor*) on or with respect to the Senior Secured Notes or any Senior Secured Note Guarantee will be made without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law; *provided*, *however*, that a Payor, in any case, may withhold from any interest payment made on the Senior Secured Notes to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on the Senior Secured Notes were treated as income from sources within the U.S. for U.S. federal income tax purposes. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having power to tax) from or through which payment on the Senior Secured Notes or any Senior Secured Note Guarantee is made by such Payor, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction (other than the United States or any political subdivision or governmental authority thereof or therein having the power to tax) in which a Payor that actually makes a payment on the Senior Secured Notes or its Senior Secured Note Guarantee is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1) and (2), a *Relevant Taxing Jurisdiction*), will at any time be required from any payments made with respect to the Senior Secured Notes or any Senior Secured Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the *Additional Amounts*) as may be necessary in order that the net amounts received in respect of such payments by the secured noteholders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the Senior Secured Notes or the Senior Secured Note Guarantees in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed or levied but for the existence of any present or former connection between the relevant secured noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant secured noteholder, if such secured noteholder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Senior Secured Note, the receipt of any payment in respect thereof or the perfection or enforcement of any security interest related to the Senior Secured Notes;

(2) any Taxes that would not have been so imposed or levied if the holder of the Senior Secured Note had complied with a reasonable request in writing of the Payor (such request being made at a time that would enable such holder acting reasonably to comply with that request) to make a declaration of nonresidence or any other claim or filing or satisfy any certification, information or reporting requirement for exemption from, or reduction in the rate of, withholding to which it is entitled (provided that such declaration of nonresidence or other claim, filing or requirement is required by the applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such Taxes);

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest under the Senior Secured Notes or any Senior Secured Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment pursuant to the Directive or any law implementing, or introduced in order to conform to, the Directive;

(6) except in the case of the liquidation, dissolution or winding up of the Payor, any Taxes imposed in connection with a Senior Secured Note presented for payment by or on behalf of a secured noteholder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Senior Secured Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Senior Secured Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the secured noteholder or (y) where, had the beneficial owner of the Senior Secured Note been the holder of the Senior Secured Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority of the Relevant Taxing Jurisdiction in accordance with applicable law.

Upon request, the Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each relevant taxing authority of each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. If, notwithstanding the efforts of such Payor to obtain such receipts, the same are not obtainable, such Payor will provide the Trustee with other evidence reasonably satisfactory to the applicable Holder.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Senior Secured Notes, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officers Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to secured noteholders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officers Certificate and such other information as promptly as practicable after the date that is 30 days prior to the payment date, but no less than five (5) Business Days prior thereto, and otherwise in accordance with the requirements of DTC).

Wherever in the Senior Secured Notes Indenture, the Senior Secured Notes, any Senior Secured Note Guarantee or this Description of the October 2010 Senior Secured Notes there is mentioned, in any context:

(1) the payment of principal,

(2) redemption prices or purchase prices in connection with a redemption or purchase of Senior Secured Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Senior Secured Notes or any Senior Secured Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any

Senior Secured Notes, the Senior Secured Notes Indenture, or any other document or instrument in relation thereto (other than a transfer of the Senior Secured Notes) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the secured noteholders and the Trustee for any such Taxes paid by such noteholders. The foregoing obligations will survive any termination, defeasance or discharge of the Senior Secured Notes Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a

Payor is organized or otherwise considered to be a resident for Tax purposes or any political subdivision or taxing authority or agency thereof or therein.

Agreed Tax Treatment

The Issuers agree, and by acquiring an interest in the Senior Secured Notes each beneficial owner of a Senior Secured Note agrees to treat for U.S. federal income tax purposes the Senior Secured Notes as debt of the sole owner of the US Issuer I and interest payments on the Senior Secured Notes as U.S. source interest; *provided, however,* that this agreement shall cease to apply if the Issuers (i) determine, after taking action that is permissible under the Senior Secured Notes Indenture, that the aforementioned allocation of debt and interest payments is no longer accurate as a result of the changed circumstances, and (ii) promptly notify holders of such determination by sending first-class mail to each holder s registered address (or otherwise completing delivery in accordance with applicable DTC procedures). Notwithstanding the foregoing, any Issuer or any other Payor may withhold from any interest payment made on any Senior Secured Note to or for the benefit of any person who is not a United States person, as such term is defined for U.S. federal income tax purposes, U.S. federal withholding tax, and pay such withheld amounts to the Internal Revenue Service, unless such person provides documentation to such Issuer or other Payor such that an exemption from U.S. federal withholding tax would apply to such payment if interest on such Senior Secured Note were treated as income from sources within the U.S. for U.S. federal income tax purposes.

Ranking

The indebtedness evidenced by the Senior Secured Notes is Senior Indebtedness of the Issuers, is equal in right of payment to all existing and future Senior Indebtedness of the Issuers, has the benefit of a security interest in the Collateral as described under Security and is senior in right of payment to all existing and future Subordinated Indebtedness of the Issuers (including the guarantee of the 2007 Senior Notes and the 2007 Senior Subordinated Notes by each Issuer).

The Indebtedness evidenced by the Senior Secured Note Guarantees is Senior Indebtedness of each Senior Secured Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Senior Secured Note Guarantor, has the benefit of a security interest in the Collateral as described under Security and is senior in right of payment to all existing and future Subordinated Indebtedness of such Senior Secured Note Guarantor, including such Senior Secured Note Guarantor s obligations with respect to the 2007 Senior Notes and the 2007 Senior Subordinated Notes. BP II, the issuer of the 2007 Senior Notes and the 2007 Senior Subordinated Notes, has not guaranteed and will not guarantee the Senior Secured Notes.

See Security for a description of the Collateral and the lien priority with respect thereto.

At December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions (as defined in The Transactions):

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,518 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $35 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of Secured Indebtedness under Local Facilities;

(2) RGHL and its Subsidiaries had an aggregate principal amount of $10,974 million of First Lien Obligations that share a *pari passu* lien in the Collateral with the Senior Secured Notes (excluding letters of credit which have been issued, but not drawn upon, $35 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 62 million of Secured Indebtedness under Local

Facilities); and

(3) RGHL and its Subsidiaries had an aggregate principal amount of $17,516 million of unsubordinated Indebtedness outstanding (whether secured or unsecured) consisting of amounts outstanding under the Senior Secured Credit Facilities, the Senior Secured Notes (including the Senior Secured Note Guarantees with respect thereto), the Senior Notes (including the Senior Note Guarantees with respect thereto), the February 2012 Notes (including the guarantees thereto), the August 2011 Senior

Secured Notes (including the guarantees thereto), the August 2011 Senior Notes (including the guarantees thereto), the February 2011 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Notes (including the guarantees with respect thereto), the October 2010 Senior Secured Notes (including the guarantees with respect thereto), the October 2010 Senior Notes (including the guarantees with respect thereto), the May 2010 Notes (including the guarantees with respect thereto), the 2009 Notes (including the guarantees with respect thereto) and the 2007 Senior Notes (but not including the guarantees with respect thereto), Pactiv s outstanding indebtedness, the Local Facilities and certain other local overdraft and local working capital facilities.

In addition, at December 31, 2011, on a pro forma basis after giving effect to the 2012 Refinancing Transactions, RGHL and its Subsidiaries had an aggregate of $1,189 million of Subordinated Indebtedness outstanding consisting of the 2007 Senior Subordinated Notes (including the guarantees with respect thereto) and the guarantees of the 2007 Senior Notes. In addition, RGHL and its Subsidiaries had $25 million of indebtedness outstanding under Local Facilities.

Although the Senior Secured Notes Indenture limits the Incurrence of Indebtedness by BP I, BP II and any Restricted Subsidiaries and the issuance of Disqualified Stock and Preferred Stock by the Issuers and any other Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, BP II and BP I and their respective Subsidiaries (including the Issuers) may be able to Incur substantial amounts of additional Indebtedness. Such Indebtedness may be Secured Indebtedness that has a prior or *pari passu* claim to the Senior Secured Notes on the Collateral or a claim on assets not constituting Collateral. The covenants do not limit the amount of Indebtedness that RGHL may incur. See Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens.

The U.S. Issuer I is a finance company with no operations of its own, and its only material assets are the US Proceeds Loans. The U.S. Issuer II is a finance company with no operations of its own, and no material assets. The Luxembourg Issuer is a finance company with no operations of its own, and its only material assets are the Luxembourg Proceeds Loans. Substantially all of the operations of RGHL are conducted through RGHL s Subsidiaries. Unless a Subsidiary is a Senior Secured Note Guarantor or one of the Issuers, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Senior Secured Note Guarantors, including holders of the Senior Secured Notes. The Senior Secured Notes, therefore, are effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of RGHL that are not one of the Issuers or the Senior Secured Note Guarantors (including BP II, which is a finance company). As of December 31, 2011, our various subsidiaries that are not one of the Issuers, the issuer of the 2007 Notes, or Senior Secured Note Guarantors had no more than approximately $10 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $1,577 million of total assets. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Not all of our subsidiaries guarantee the notes, and the notes and the guarantees of the notes will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

Senior Secured Note Guarantees

Each of the Senior Secured Note Guarantors jointly and severally, irrevocably and unconditionally guarantees on a senior basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes, whether for payment of principal of, premium, if any, or interest on the Senior Secured Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Senior Secured Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Senior Secured Note Guarantors being herein called the *Guaranteed Obligations*), subject to limitations imposed by applicable local law and certain other limitations imposed by the terms of such guarantees; *provided, however*, that in no event shall a US Controlled Foreign Subsidiary be required to guarantee the Guaranteed Obligations. The entities that are Senior Secured Note Guarantors include entities organized in the following jurisdictions: Australia, Austria,

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Brazil, British Virgin Islands, Canada, Costa Rica, Germany, Guernsey, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, the United States and the United Kingdom. The Senior Secured Note Guarantees are subject to a variety of local laws that may limit or void the Senior Secured Note Guarantees and any security interest with respect thereto and certain other limits imposed under the terms of such Senior Secured Note Guarantees. In some jurisdictions, such as, for example, Japan, Costa Rica and Australia although our subsidiaries in those jurisdictions are Senior Secured Note Guarantors, they will not pledge any of their assets as Collateral for the Senior Secured Notes pursuant to the Agreed Security Principles. This may be the case even if they pledge some or all of their assets as collateral for the Senior Secured Credit Facilities. For a description of such limitations and the risks associated with the Senior Secured Note Guarantees and Collateral, see

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Fraudulent conveyance laws and other limitations on the enforceability of the notes, the guarantees and, as applicable, the related security, may adversely affect the validity and enforceability of the notes, the guarantees and, as applicable, the related security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Insolvency laws could limit your ability to enforce your rights under the notes, the guarantees and, in the case of the senior secured notes, the security;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Enforcing your rights as a holder of the notes or under the guarantees, or with respect to the senior secured notes, the security, across multiple jurisdictions may be difficult;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes You may be unable to enforce judgments obtained in the United States and foreign courts against us, certain of the guarantors or our or their respective directors and executive officers;

Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee the notes and the notes have only been secured by a limited pledge of certain of such foreign subsidiaries capital stock, with no pledge of the assets of any non-U.S. subsidiaries of our U.S. subsidiaries; and

Certain Insolvency and Other Local Law Considerations.

Such Senior Secured Note Guarantors have agreed, and any of RGHL s Subsidiaries that subsequently become Senior Secured Note Guarantors will agree, to pay, subject to limitations imposed by applicable local law and certain other limitations, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee, the Collateral Agent or the holders in enforcing any rights under the Senior Secured Note Guarantees and the Security Documents. The Senior Secured Notes and the Senior Secured Note Guarantees of a Senior Secured Note Guarantor constitute Designated Senior Indebtedness of the Issuers and such Senior Secured Note Guarantor for purposes of the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture and Senior Liabilities for the purposes of the 2007 Intercreditor Agreement. For a description of the Collateral and lien priority and intercreditor agreements, see Security below.

Any future guarantor of the Senior Secured Credit Facilities, any other Credit Agreement or Public Debt of BP I, BP II or their respective Subsidiaries are only required to provide Senior Secured Note Guarantees as required by the covenant under Certain Covenants Future Senior Secured Note Guarantors. The obligation to provide Senior Secured Note Guarantees for the benefit of the Senior Secured Notes in the future is subject to the Agreed Security Principles. Accordingly, in the future, other Indebtedness, including the Senior Secured Credit Facilities, the February 2012

Notes, the August 2011 Notes, the February 2011 Notes, the Senior Notes, the May 2010 Notes, the 2009 Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes could have the benefit of guarantees that are not also provided in favor of the Senior Secured Notes. See Ranking.

Each Senior Secured Note Guarantee is a continuing guarantee and shall, subject to the next paragraph:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) be binding upon each such Senior Secured Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

Release of Senior Secured Note Guarantees

Subject to the First Lien Intercreditor Agreement and the 2007 Intercreditor Agreement, a Senior Secured Note Guarantee of a Senior Secured Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Senior Secured Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Senior Secured Notes Indenture as a result of which such Senior Secured Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Senior Secured Note Guarantor of the Senior Secured Credit Facilities or such other guarantee or other obligation that resulted in the creation of such Senior Secured Note Guarantee, except a release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Senior Secured Note Guarantor to be an Unrestricted Subsidiary in accordance with the covenants described under Certain Covenants Limitation on Restricted Payments and the definition of Unrestricted Subsidiary;

(4) the Issuers exercise of their legal defeasance option or covenant defeasance option as described under Defeasance, or if the Issuers obligations under the Senior Secured Notes Indenture are discharged in accordance with the terms of the Senior Secured Notes Indenture; or

(5) the transfer or sale of the equity interests of such Senior Secured Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Senior Secured Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Senior Secured Notes Indenture relating to the release have been complied with. A Senior Secured Note Guarantee of a Senior Secured Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets and RGHL will be released from its Senior Secured Note Guarantee in connection with the substantially concurrent transfer by RGHL of the capital stock of BP I to a newly formed subsidiary of RGHL (*Midco*); *provided* that (a) Midco is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof or New Zealand; (b) Midco expressly assumes or replaces all the obligations of RGHL under the Senior Secured Notes Indenture, the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes, the Security Documents to which RGHL is a party, the First Lien Intercreditor Agreement and RGHL s Senior Secured Note Guarantee pursuant to a supplemental or replacement indenture or other documents or instruments in form reasonably satisfactory to the Trustee; (c) immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness which becomes an obligation of Midco as a result of such transaction as having been Incurred by Midco at the time of such transaction), no Default shall have occurred and be continuing and the Issuers would be able to Incur an additional $1.00 of Indebtedness pursuant to the covenant described under Limitation on Incurrence of

Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (d) RGHL delivers to the Trustee an Officers Certificate and an Opinion of Counsel, each stating that such transfer and such supplemental indenture and Security Documents comply with the Senior Secured Notes Indenture (and in giving such opinion such counsel may rely on an Officers Certificate as to any matters of fact); and (e) RGHL delivers to the Trustee a resolution adopted in good faith by the majority of the Board of

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Directors of RGHL approving such transaction and set forth in an Officers Certificate certifying that such transaction complies with the requirements of the Senior Secured Notes Indenture.

Upon any occurrence specified in the two preceding paragraphs, the Trustee shall, at the instruction of and at the cost of the Issuers, execute any documents reasonably requested of it to evidence such release.

Addition of Senior Secured Note Guarantors

Under certain circumstances and subject to the Agreed Security Principles, additional Restricted Subsidiaries may be added as Senior Secured Note Guarantors (see Certain Covenants Future Senior Secured Note Guarantors).

Security

General

The Senior Secured Notes and the Senior Secured Note Guarantees, with certain exceptions, have the benefit of Liens in the Collateral, which consist of first priority security interests shared with the other First Lien Obligations, including the Senior Secured Credit Facilities, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes and the 2009 Notes (subject to Permitted Liens, which may rank ahead of the first priority security interests for the benefit of the Senior Secured Notes, and the exceptions described below), in the Collateral; *provided*, *however*, that in no event shall more than 65% of the total outstanding voting Equity Interests, or any of the assets, of any US Controlled Foreign Subsidiary be required to be pledged.. The Issuers and RGHL together with the Trustee will be responsible for implementing the security arrangements for the Senior Secured Notes and such arrangements may not be implemented in a timely manner or at all.

The Collateral consists of (i) 100% of the Capital Stock of certain existing and future, direct and indirect, wholly owned Subsidiaries of RGHL, the Issuers and the Senior Secured Note Guarantors (subject to the limitations described under Limitations on Stock Collateral and certain other limitations, including as described in the Agreed Security Principles) and (ii) certain assets of the Issuers and certain of the Senior Secured Note Guarantors located in Austria, Brazil, British Virgin Islands, Canada, Germany, Guernsey, Hong Kong, Hungary, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, the United States and the United Kingdom.

The Collateral does not comprise all of the assets of the Issuers or the Senior Secured Note Guarantors and is further limited to the extent set forth in the Agreed Security Principles. Among other exclusions from the Collateral, including pursuant to the Agreed Security Principles:

Security will not be provided by non-wholly owned Subsidiaries;

Security will be limited to the extent deemed necessary to comply with legal limitations, avoid significant tax disadvantages, comply with certain third party arrangements, satisfy fiduciary duties of directors and minimize fees, taxes and duties;

Security will not be provided over assets with values lower than certain agreed materiality thresholds, including a 5 million threshold for real property, a 250,000 threshold for manufacturing equipment in some jurisdictions and a 1 million threshold for certain intellectual property;

Security will not be provided to the extent it would have a material adverse effect on the ability of the relevant Issuer or Senior Secured Note Guarantor to conduct business in the ordinary course; and

Security will not be provided over Pactiv s Principal Manufacturing Properties (as defined in the Pactiv Base Indenture) to the extent not required to be pledged under the Senior Secured Credit Facilities.

We estimate that the assets of Reynolds Group Holdings Limited and its subsidiaries that are part of the Collateral securing the Senior Secured Notes have a book value greater than the amount of our outstanding secured indebtedness, which totaled $10,353 million, as of December 31, 2011 and measured in accordance

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with IFRS. Much of the Collateral is, and is expected to continue to be, illiquid, both by its nature and as a result of local limitations relating to enforcement (see Certain Insolvency and Other Local Law Considerations). Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time or at all or that its value will exceed the amount of Indebtedness it secures, including the Senior Secured Notes.

There are other potential impediments to Holders realizing upon the full value of the Collateral. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes. Among the potential impediments described in such risk factors are risks relating to enforcement of the security interests in jurisdictions outside of the United States, risks relating to dilution of the Collateral by other secured creditors, including the Senior Secured Credit Facilities, the holders of the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes, and any future permitted secured Indebtedness, risks relating to the use of a Collateral Agent for purposes of securing and enforcing upon the Collateral, risks relating to control of the Collateral Agent by the administrative agent under the Senior Secured Credit Facilities or the representatives of the holders of the 2009 Notes, holders of the February 2011 Senior Secured Notes or the holders of the August 2011 Senior Secured Notes, as the case may be, and not by the Trustee or the Holders and risks relating to the fact that the security interests in respect of the Senior Secured Notes will, in certain cases, be relying on the First Lien Intercreditor Agreement to achieve first priority *pari passu* ranking.

Subject to certain conditions, including compliance with the covenants described under Certain Covenants Impairment of Security Interest and Certain Covenants Liens, the Senior Secured Note Guarantors and the Issuers are permitted to pledge the Collateral in connection with certain future Incurrences of Indebtedness, including any Additional Senior Secured Notes, or certain Indebtedness of the Issuers or Indebtedness of the Senior Secured Note Guarantors, in each case as permitted under the Senior Secured Indenture. This may make the Collateral less valuable for the holders of the Senior Secured Notes.

Except as limited by Certain Covenants Impairment of Security Interest, the Issuers and the Senior Secured Note Guarantors may take actions that would result in diminishing (possibly to zero) the value or existence of the Collateral. In the future, additional assets may be pledged by us to secure debt under the Senior Secured Credit Facilities, the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes, a Credit Agreement or other Public Debt but may not be pledged to secure the Senior Secured Notes. The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of our assets will not constitute Collateral for the Senior Secured Notes in any form. Accordingly, the value of the Collateral could be substantially less than the aggregate principal amount of our First Lien Obligations, including the Senior Secured Notes, the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes, the Senior Secured Credit Facilities and other Secured Indebtedness.

Accordingly, holders of the Senior Secured Notes have the benefit of a security interest in only a portion of the value of the Collateral expected to secure the Senior Secured Notes. In addition, certain of the stock and assets pledged by the Senior Secured Note Guarantors in some jurisdictions have been pledged on a priority basis to secure the obligations to the lenders under certain local working capital facilities. See Certain Covenants Future Collateral for a description of our obligations with respect to assets acquired by us. The Issuers and the Senior Secured Note Guarantors will not be required to implement any such security arrangements or enter into Security Documents with respect to Collateral owned or acquired by us, if, in the good faith determination of BP I, doing so would, or would result in a material risk of, conflict with the fiduciary duties of their directors or contravene any legal prohibition or, in the good faith determination of BP I, result in, or in a material risk of, personal or criminal liability on the part of any officer, director or shareholder of BP I, BP II or any of their respective parents or subsidiaries, or if, in the good faith determination of BP I, it would be inconsistent with the Agreed Security Principles; *provided, however*, that the relevant Issuer or the relevant Senior Secured Note Guarantor must use commercially reasonable efforts to overcome any such obstacle. Under the commercially reasonable efforts standard, perfection of the security interests will not be required if, in the good faith determination of BP I, it would have a material adverse effect on the ability of any of the Issuers or the relevant Senior Secured Note Guarantor to conduct its operations and business in the ordinary course or if, in the good faith determination of BP I, it would be inconsistent with the Agreed Security Principles. If the Issuers and the Senior Secured Note Guarantors do not implement such security arrangements for the benefit of the Senior Secured Notes (other than in circumstances in accordance with the Agreed Security Principles or as described under Limitation on Stock Collateral below), they will be prohibited from implementing security arrangements with respect to the Senior Secured Credit Facilities, the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes, Public Debt or other Indebtedness except, in the case of such other Indebtedness, for Permitted Liens.

The aggregate amount of the obligations secured by the Collateral may, subject to the limitations set forth in the Indenture, be increased. A portion of the obligations secured by the Collateral consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed and such obligations may, subject to the limitations set forth in the Indenture, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the provisions of the First Lien Intercreditor Agreement defining the relative rights of the parties thereto.

The Issuers and the Senior Secured Note Guarantors will be able to incur additional First Lien Obligations in the future that could share in the Collateral, including Indebtedness secured by a Permitted Lien that may be prior to, or *pari passu* with, Liens securing the Senior Secured Notes. In addition, we may Incur Indebtedness secured by a Permitted Lien over assets that are not part of the Collateral, and the amount thereof could be significant. The amount of Secured Indebtedness secured with priority over, or on an equal and ratable basis with, Liens securing the Senior Secured Notes will be limited by the covenant disclosed under Certain Covenants Liens, and the amount of all such additional indebtedness will be limited by the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuances of Disqualified Stock and Preferred Stock. Under certain circumstances the amount of Indebtedness and other obligations that benefit from prior ranking security interests or that shares equally and ratably in the Collateral could be significant.

Subject to the terms of the Security Documents, the Issuers and the Senior Secured Note Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Senior Secured Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Rights of holders of the senior secured notes may be adversely affected by bankruptcy proceedings in the United States.

Limitations on Stock Collateral

The Capital Stock and securities of any Restricted Subsidiary (other than BP I, for which we will provide separate financial statements) will constitute Collateral only to the extent that the securing of the Senior Secured Notes with such Capital Stock and securities would not require such Senior Secured Note Guarantor to file separate financial statements with the SEC under Rule 3-16 of Regulation S-X under the Securities Act. In the event that Rule 3-16 of Regulation S-X under the Securities Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation that would require) the filing with the SEC of separate financial statements of any Restricted Subsidiary (other than BP I) due to the fact that such Restricted Subsidiary s Capital Stock and securities secure the Senior Secured Notes or any Senior Secured Note Guarantee, then the Capital Stock and securities of such Restricted Subsidiary shall automatically be deemed not to be part of the Collateral (but only to the extent necessary for such Restricted Subsidiary to not be subject to such requirement to provide separate financial statements) and such excluded portion of the Capital Stock and securities is referred to as the *Excluded Stock Collateral.* In such event, the Security Documents may be amended, modified or supplemented, without the consent of any Holder, to the extent necessary to release the security interests on the Excluded Stock Collateral.

In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation that would permit) any Restricted Subsidiary s Excluded Stock Collateral to secure the Senior Secured Notes in excess of the amount then pledged without the filing with the SEC of separate financial statements of such Senior Secured Note Guarantor, then the Capital Stock and securities of such Restricted Subsidiary shall automatically be deemed to be a part of the Collateral (but only to the extent possible without such Restricted Subsidiary becoming subject to any such filing requirement). In such event, the Security Documents may be amended or modified, without the consent of any Holder, to the extent necessary to subject to the Liens under the Security Documents such additional Capital Stock and securities.

In accordance with the limitations set forth in the two immediately preceding paragraphs, on the date that Rule 3-16 of Regulation S-X becomes applicable to the Senior Secured Notes, other than with respect to BP I, whose shares of Capital Stock will be part of the Collateral without regard to the limits described above, the Collateral will include shares of Capital Stock of the Restricted Subsidiaries only to the extent that the applicable value of such Capital Stock (on an entity-by-entity basis) is less than 20% of the aggregate principal amount of the outstanding Senior Secured Notes. Certain of the Senior Secured Note Guarantors have Capital Stock valued at or in excess of 20% of the aggregate principal amount of the outstanding Senior Secured Notes; accordingly if Rule 3-16 of Regulation S-X under the Securities Act was applicable to the Senior Secured Notes on such date, each such Senior Secured Note Guarantor s pledge of such stock as Collateral would be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Senior Secured Notes pursuant to these provisions. In the event that Rule 3-16 of Regulation S-X becomes applicable to the Senior Secured Notes, we anticipate that the Capital Stock of multiple subsidiaries of ours organized in various jurisdictions will be subject to such limitations. If, at any time after Rule 3-16 of Regulation S-X becomes applicable to the Senior Secured Notes, the applicable value of the Capital Stock of any Senior Secured Note Guarantor is equal to or exceeds 20% of the aggregate principal amount of the Senior Secured Notes outstanding, the pledge of such Senior Secured Note Guarantor s Capital Stock shall automatically be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Senior Secured Notes. If, at any time after the date Rule 3-16 of Regulation S-X becomes applicable to the Senior Secured Notes, the applicable value of 100% of the Capital Stock of any Senior Secured Note Guarantor becomes less than 20% of the aggregate principal amount of the Senior Secured Notes outstanding and the pledge of such Capital Stock has been deemed limited in accordance with this paragraph prior to such date, the pledge of such Senior Secured Note Guarantor s Capital Stock shall automatically be deemed to be 100% of its Capital Stock. Accordingly, the portion of the Capital Stock of the Issuers or the Senior Secured Note Guarantors constituting Collateral may decrease or increase as described above. We conduct substantially all of our business through our subsidiaries, many of which have capital stock with a value in excess of 20% of the aggregate principal amount of the Senior Secured Notes. Accordingly, the pledge of stock and securities with respect to each such subsidiary will be limited in value to less than 20% of the aggregate principal amount of the Senior Secured Notes.

In certain circumstances, the pledges by certain entities of intercompany proceeds loans to which they are a party, including the pledge of the Luxembourg Proceeds Loans by the holders thereof and the pledge of the US Proceeds Loans by the holders thereof could be viewed as a pledge of a security by such entity. Accordingly, such entities pledge of such proceeds loans could be limited to 20% of the value of the proceeds loans, in accordance with the foregoing paragraphs.

Brief Summary of Security Documents and Intercreditor Agreements

The Issuers, the Senior Secured Note Guarantors, and the Collateral Agent (or agents thereof) have entered into multiple agreements or other instruments defining the terms of the security interests that secure the Senior Secured Notes and the Senior Secured Note Guarantees. Those agreements or other instruments pursuant to which security interests in the Collateral are granted to secure the Senior Secured Notes or the Senior Secured Note Guarantees from time to time are referred to as the *Security Documents.* The security interests secure the payment and performance when due of the Obligations of the Issuers and the Senior Secured Note Guarantors under the Senior Secured Notes, the Senior Secured Notes Indenture, the Senior

Secured Note Guarantees and the Security Documents, as provided in the Security Documents. Since the Holders are not parties to the Security Documents, the First Lien Intercreditor Agreement or the 2007 Intercreditor Agreement, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents, the First Lien Intercreditor Agreement or the 2007 Intercreditor Agreement. The Holders may only act by instructing the Trustee to act whether through the Collateral Agent or otherwise.

We are party to two intercreditor agreements that govern the relative rights of the obligors under our existing and future financing arrangements: (1) the 2007 Intercreditor Agreement which sets forth the relative rights and obligations with respect to the Senior Secured Notes, lenders (and other secured parties, including certain Local Facilities and providers of Hedging Obligations) under the Senior Secured Credit Facilities, the holders of the 2009 Notes, the holders of the February 2011 Senior Secured Notes, the holders of the August 2011 Senior Secured Notes, the holders of the 2007 Senior Notes and the holders of the 2007 Senior Subordinated Notes and (2) the First Lien Intercreditor Agreement which, sets forth the relative rights and obligations of the lenders (and other secured parties, including certain Local Facilities and providers of Hedging Obligations) under the Senior Secured Credit Facilities, the holders of the 2009 Notes, the holders of the February 2011 Senior Secured Notes, the holders of the August 2011 Senior Secured Notes and the Senior Secured Notes with respect to the Collateral. See Description of Certain Other Indebtedness and Intercreditor Agreements First Lien Intercreditor Agreement.

The Trustee, as representative for the holders of the Senior Secured Notes, entered into a joinder to the First Lien Intercreditor Agreement and took other steps required to make the obligation with respect to the Senior Secured Notes become Additional Obligations under the First Lien Intercreditor Agreement.

Under the First Lien Intercreditor Agreement, as described below, the *Applicable Representative* has the right to direct the Collateral Agent to initiate foreclosures, release Liens in accordance with the Senior Secured Credit Facilities, the 2009 Note Documents, the Senior Secured Note Documents, the indentures, security documents and other documents related to the holders of February 2011 Senior Secured Notes and the holders of the August 2011 Senior Secured Notes, and the documents governing any other series of *pari passu* first lien obligations that are included as Additional Obligations as defined in and under the First Lien Intercreditor Agreement and take other actions with respect to the Shared Collateral (as defined below), and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement have no right to direct the Collateral Agent to take actions with respect to the Shared Collateral. The Applicable Representative is currently the administrative agent under the Senior Secured Credit Facilities. As long as such administrative agent is the Applicable Representative, the Trustee, as representative of the holders of the Senior Secured Notes, the trustee under the 2009 Indenture and the trustee under the February 2011 Secured Indenture and the August 2011 Secured Indenture will have no rights to direct the Collateral Agent to take any action under the First Lien Intercreditor Agreement. Generally, *Shared Collateral* means, at any time, Collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid security interest or upon the enforcement of any guarantee held by two or more series of Obligations (or their respective representatives), the proceeds of such enforcement.

The administrative agent under the Senior Secured Credit Facilities will remain the Applicable Representative until the earlier of (1) the discharge of our Obligations under the Senior Secured Credit Facilities and (2) the Cut-Off Date (as defined below) (unless the Cut-Off-Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof). After such date, the Applicable Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Credit Facilities, with respect to the Shared Collateral (the *Non-Controlling Representative*) (which series of Obligations may be the 2009 Notes, the February 2011 Senior Secured Notes, the August 2011 Senior Secured Notes or an additional series of Obligations to be incurred in the future). Accordingly, the Trustee, as representative of the holders of the Senior Secured Notes, may not ever have the right to control the remedies and take other actions with respect to the Shared

Collateral.

The *Cut-Off Date* means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such Person was the Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Collateral Agent s and each other relevant representative s receipt of written notice from such Non-Controlling Representative certifying that (x) such an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; *provided, however,* that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Credit Facilities or the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Under the First Lien Intercreditor Agreement, (i) the Applicable Representative has the sole right to instruct the Collateral Agent to act or refrain from acting with respect to the Shared Collateral, (ii) the Collateral Agent shall not follow any instructions with respect to such Shared Collateral from any representative of any Non-Controlling Secured Party (as defined below) or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) and (iii) no representative of any Non-Controlling Secured Party or other party to the First Lien Intercreditor Agreement (other than the Applicable Representative) will instruct the Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral. A *Non-Controlling Secured Party* shall mean any secured party to the First Lien Intercreditor Agreement whose representative under the First Lien Intercreditor Agreement is not the Applicable Representative. Until the earlier of (1) the discharge of our Obligations under the Senior Secured Credit Facilities and (2) the Cut-Off Date (unless the Cut-Off-Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof), the holders of the Senior Secured Notes, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes and the holders of the 2009 Notes will be Non-Controlling Secured Parties. Accordingly, the holders of Senior Secured Notes could be Non-Controlling Secured Parties indefinitely.

Notwithstanding the equal priority of the Liens on any Shared Collateral, the Collateral Agent, acting on the instructions of the Applicable Representative, may deal with the Collateral as if such Applicable Representative had a senior Lien on such Collateral. No representative of any Non-Controlling Secured Party may contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent. Each of the parties to the First Lien Intercreditor Agreement will agree that it will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the parties to the First Lien Intercreditor Agreement in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred) has occurred and is continuing and the Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding or otherwise of any grantor of Collateral, or the Collateral Agent or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Collateral Agent or any secured party and proceeds of any such distribution, shall be applied (i) first, to the payment of all amounts owing to the Collateral Agent (in its capacity as such) pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series

of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred, (ii) second, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement on a ratable basis in accordance with the amounts of such Obligations under the terms of the applicable instrument pursuant to which such Obligations have been incurred and (iii) third, to satisfy other Obligations, including to the extent applicable, under the 2007 Intercreditor Agreement.

If any party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement, then it shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Collateral Agent, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

In addition, under the First Lien Intercreditor Agreement, each secured noteholder and secured party under the Senior Secured Credit Facilities (and any additional Persons who may become party to the First Lien Intercreditor Agreement) agrees that (i) it will not institute any suit or assert in any insolvency or litigation proceeding any claim against the Collateral Agent or any other party to the First Lien Intercreditor Agreement seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, (ii) it will not seek, and will waive any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral and (iii) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the First Lien Intercreditor Agreement.

By purchasing the Senior Secured Notes, each noteholder authorized the Trustee (1) to appoint the Collateral Agent to act on its behalf as the Collateral Agent under the First Lien Intercreditor Agreement and under each of the other Security Documents and (2) to authorize the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of the First Lien Intercreditor Agreement and the other Security Documents, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any grantor thereunder to secure any of the First Lien Obligations, together with such powers and discretion as are reasonably incidental thereto.

The First Lien Intercreditor Agreement provides that the Collateral Agent shall not have any duties or obligations except those expressly set forth therein and in the other Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the First Lien Intercreditor Agreement or by the other Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Representative; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Security Document or applicable law;

(iii) shall not, except as expressly set forth in the First Lien Intercreditor Agreement and in the other Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a grantor or any of its Affiliates that is communicated to or obtained by the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) with the consent or at the request of the Applicable Representative or (2) in the absence of its own gross negligence or willful misconduct or (3) in reliance on a certificate of an authorized officer of an Issuer stating that such action is permitted by the terms of this Agreement; and

(v) shall not be required to take any action for which it has not received written directions and indemnity satisfactory to it.

The Collateral Agent shall be deemed not to have knowledge of any Event of Default under any series of Obligations unless and until notice describing such Event Default is given to the Collateral Agent by the Representative of such Obligations or a party to the First Lien Intercreditor Agreement. In addition, among other things, the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with the First Lien Intercreditor Agreement or any other Security Document, (2) the contents of any certificate, report or other document delivered under the First Lien Intercreditor Agreement or any other Security Document, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in the First Lien Intercreditor Agreement or any other Security Document, or the occurrence of any Default, (4) the creation, perfection or priority of any Lien purported to be created by the Security Documents or (5) the value or the sufficiency of any Collateral for any series of Obligations, including the Senior Secured Notes.

Future Collateral

Subject to the limitations and exceptions in the Agreed Security Principles, if the Issuers or any Senior Secured Note Guarantor creates any additional security interest upon any property or asset to secure any other First Lien Obligations under the Senior Secured Credit Facilities, any other Credit Agreement or Public Debt, it must use commercially reasonable efforts to concurrently grant a security interest (subject to Permitted Liens) upon such property as security for the Senior Secured Notes; *provided*, *however*, that it will not be required to do so if, in the good faith determination of BP I, so doing would, or would result in a material risk of, conflict with the fiduciary duties of the directors of BP I, BP II or any of their respective parents or subsidiaries or contravene any legal prohibition or, in the good faith determination of BP I, result in, or in material risk of, personal or criminal liability on its part of any officer, director or shareholder of BP I, BP II or any of their respective parents or subsidiaries or, in the good faith determination of BP I, be inconsistent with the Agreed Security Principles. Also, if granting a security interest in such property requires the consent of a third party, subject to the Agreed Security Principles, the Issuers will use commercially reasonable efforts to obtain such consent with respect to the security interest for the benefit of the Trustee on behalf of the holders of the Senior Secured Notes. Under the commercially reasonable efforts standard, the Issuers will not be obligated to seek to obtain consent if, in the good faith determination of BP I, to do so would have a material adverse effect on the ability of the Issuers or the relevant Senior Secured Note Guarantors to conduct their operations and business in the ordinary course or if, in good faith determination of BP I, to do so would be inconsistent with the Agreed Security Principles. If such third party does not consent to the granting of the security interest after the use of such commercially reasonable efforts, the applicable entity will not be required to provide such security interest. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes Security interests in respect of the collateral may be adversely affected by the failure to perfect security interests in certain collateral presently owned or acquired in the future and Certain Covenants Future Collateral.

Release of Collateral

The security interests in the Collateral for the benefit of the Senior Secured Notes will be released:

(a) upon payment in full of principal, interest and all other Obligations on the Senior Secured Notes issued under the Senior Secured Notes Indenture or discharge or defeasance thereof;

(b) to the extent a Senior Secured Note Guarantor would be and is so released pursuant to clause (2) under Senior Secured Note Guarantees Release of Senior Secured Note Guarantees. ;

(c) to enable us to consummate the disposition of such property or assets to the extent not prohibited under the covenant described under Certain Covenants Asset Sales ;

(d) in the case of property or assets of a Senior Secured Note Guarantor that is released from its Senior Secured Note Guarantee with respect to the Senior Secured Notes, on the release of the Senior Secured Note Guarantee of such Senior Secured Note Guarantor;

(e) in the case of the property and assets of a specific Senior Secured Note Guarantor, such Senior Secured Note Guarantor making a Transfer permitted by clause (y) of the last paragraph under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets ;

(f) in the circumstances described under Amendment and Waivers below (including to the extent necessary to facilitate the assumption by a Successor Company of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes, to provide for the assumption by Midco of the obligations of RGHL under the Senior Secured Notes Indenture and the Senior Secured Notes or to provide for the assumption by a Successor Senior Secured Note Guarantor of the obligations of a Senior Secured Note Guarantor under the Senior Secured Notes Indenture and its Senior Secured Note Guarantee);

(g) by the Trustee or Collateral Agent, acting on the instructions of the Applicable Representative in accordance with the terms of the First Lien Intercreditor Agreement (other than releases of all or substantially all of the Collateral); or

(h) upon a legal defeasance or covenant defeasance under the Indenture as described below under Defeasance.

The security interest in the 2007 Notes Collateral in favor of the 2007 Senior Notes and 2007 Senior Subordinated Notes will be released upon an enforcement action in accordance with the 2007 Intercreditor Agreement. In addition, in order to secure new Indebtedness (where such Indebtedness is permitted under the Senior Secured Notes Indenture and the Lien securing such Indebtedness is a Permitted Lien that is entitled to rank equal with, in priority to or behind the security interests on the Collateral, as applicable), on the date on which such new Indebtedness is incurred, and subject to no Default having occurred and being continuing, the Trustee or Collateral Agent for the Senior Secured Notes, as applicable, is authorized by the Trustee and the Holders to, and shall, at the request of the Issuers or RGHL, release the security interests in the Collateral and will, simultaneously with the grant of Liens in respect of the new Indebtedness, retake such security interests in the Collateral; *provided, however*, that all holders of Liens on behalf of other Indebtedness or obligations secured by such Collateral concurrently release and (if applicable) retake the security interests in the same manner; *provided further*, *however*, that following such release and retaking the security interests in the Collateral are not subject to any new hardening period or limitation (excluding any such hardening period or limitation that existed prior to such release and retaking) which is not also applicable to the Lien granted in favor of the new Indebtedness and any such other Indebtedness or obligations (it being understood that the new Indebtedness and such other Indebtedness and obligations may be subject to longer or more onerous hardening periods or limitations) or the Trustee shall have received a solvency opinion.

To the extent required under the mandatory provisions of the US Trust Indenture Act of 1939, as amended (the Trust Indenture Act), the Issuers will comply with the provisions of Section 314(b) and 314(d) of the Trust Indenture Act, in each case following qualification of the Indenture pursuant to the Trust Indenture Act. Any certificate or opinion required by Section 314(d) of the Trust Indenture Act may be delivered by an Officer of any Issuer except in cases where Section 314(d) requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Issuers and the Senior Secured Note Guarantors will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act if they determine, in good faith based on advice of counsel (which may be internal counsel), that under the terms of such section or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including no action letters or exemptive orders, all or any portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released Collateral. Without limiting the generality of the foregoing, certain no-action letters issued by the SEC have permitted an indenture qualified under the Trust Indenture Act to contain provisions permitting the release of collateral from liens under such indenture in the ordinary course of our business without requiring us to provide certificates and other documents under Section 314(d) of the

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Trust Indenture Act. In addition, under interpretations provided by the SEC, to the extent that a release of a lien is made without the need to obtain the consent of the Holders or the Trustee, the provisions of Section 314(d) may be inapplicable to the release. The Issuers believe, therefore, that such provisions of Section 314(d) will be inapplicable to the release of collateral for so long as releases of collateral are controlled by the lenders under the Senior Secured Credit Facilities and certain other conditions apply.

Upon certification by the Issuers, each of the Trustee and the Collateral Agent shall execute all documents reasonably requested of it to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications. The Collateral Agent or the Trustee, as applicable, at the instruction of and at the cost of the Issuers (as applicable), will agree to any release of the Liens on the Collateral created by the Security Documents that is in accordance with the Senior Secured Notes Indenture and the First Lien Intercreditor Agreement and 2007 Intercreditor Agreement without requiring any consent of the Holders, in reliance upon an Opinion of Counsel or Officers Certificate to that effect delivered by the Issuers.

Change of Control

Upon the occurrence of any of the following events (each, a *Change of Control*), each holder will have the right to require the Issuers to repurchase all or any part of such holder s Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuers have previously elected to redeem all of the Senior Secured Notes as described under Optional Redemption:

(1) the sale, lease or transfer, in one or a series of transactions, of all or Substantially All the assets of BP II or BP I and its Subsidiaries, taken as a whole, to a Person other than, directly or indirectly, any of the Permitted Holders;

(2) BP I becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the U.S. Issuer I, the U.S. Issuer II, the Luxembourg Issuer, BP I or BP II or any direct or indirect parent of BP I or BP II; or

(3) RGHL ceases to own, directly or indirectly, 100% of the Capital Stock of BP I, BP II, BP III or any of the Issuers, other than directors qualifying shares or other de minimis shareholdings required by law.

In the event that at the time of such Change of Control the terms of any Bank Indebtedness restrict or prohibit the repurchase of Senior Secured Notes pursuant to this covenant, then prior to the mailing (or delivery) of the notice to holders provided for in the immediately following paragraph but in any event within 45 days following any Change of Control, the Issuers shall:

(1) repay in full all such Bank Indebtedness or, if doing so will allow the purchase of Senior Secured Notes, offer to repay in full all such Bank Indebtedness and repay the Bank Indebtedness of each lender that has accepted such offer; or

(2) obtain the requisite consent under the agreements governing such Bank Indebtedness to permit the repurchase of the Senior Secured Notes as provided for in the immediately following paragraph.

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The Issuers failure to comply with such provisions or the provisions of the immediately following paragraph shall constitute an Event of Default described in clause (4) and not in clause (2) under Defaults below.

Within 45 days following any Change of Control, except to the extent that the Issuers have exercised their right to redeem the Senior Secured Notes by delivery of a notice of redemption as described under Optional Redemption, or all conditions to such redemption have been satisfied or waived, the Issuers shall mail (or otherwise deliver in accordance with applicable DTC procedures) a notice (a *Change of Control Offer*) to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuers to repurchase such holder s Senior Secured Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the *Change of Control Payment*);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or delivered) (the *Change of Control Payment Date*);

(4) the instructions determined by the Issuers, consistent with this covenant, that a holder must follow in order to have its Senior Secured Notes purchased; and

(5) if applicable and such notice is mailed prior to the occurrence of a Change of Control, that such offer is conditioned on the occurrence of such Change of Control.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Secured Notes Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Senior Secured Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Secured Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Senior Secured Notes or portions of the Senior Secured Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Senior Secured Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Senior Secured Notes in order to reflect thereon the portion of such Senior Secured Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Senior Secured Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Senior Secured Notes accepted for purchase by the Issuers.

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The Paying Agent will promptly mail (or otherwise deliver in accordance with applicable DTC procedures) to each holder of Senior Secured Notes so tendered the Change of Control Payment for such Senior Secured Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Senior Secured Notes a new Senior Secured Note equal in principal amount to the unpurchased portion of the Senior Secured Notes surrendered, if any; *provided, however*, that each such new Senior Secured Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof.

Senior Secured Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Senior Secured Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Senior Secured Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Senior Secured Notes issued and outstanding.

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Secured Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between RGHL, the Issuers and the Initial Purchasers. None of RGHL, BP I, BP II and the Issuers has any present intention to engage in a transaction involving a Change of Control, although it is possible that they could decide to do so in the future. Subject to the limitations discussed below, RGHL, BP I, BP II or any of the Restricted Subsidiaries, including the Issuers, could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Senior Secured Notes Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the capital structure or credit rating of RGHL or its Restricted Subsidiaries, including the Issuers.

The occurrence of events that would constitute a Change of Control would require repayment of all amounts outstanding under the Senior Secured Credit Facilities and would trigger the requirement that we offer to purchase the Senior Notes, the May 2010 Notes, the 2009 Notes, the February 2011 Notes, the August 2011 Notes, the 2007 Senior Notes and the 2007 Senior Subordinated Notes at 101% of the principal amount thereof. Agreements and instruments with respect to future indebtedness that RGHL or any of its Subsidiaries may incur may contain prohibitions on certain events that would constitute a Change of Control or require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuers to repurchase the Senior Secured Notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuers. Finally, the Issuers ability to pay cash to the holders upon a repurchase may be limited by the Issuers then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. Neither RGHL nor any of its Restricted Subsidiaries are required to advance us funds to make any Change of Control Payment. See Risk Factors Risks Related to Our Structure, the Guarantees, the Collateral and the Notes We may be unable to raise the funds necessary to finance the change of control repurchase offers required by the indentures governing the notes and similar requirements in the agreements governing our other indebtedness.

The provisions under the Senior Secured Notes Indenture relating to the Issuers obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of outstanding Senior Secured Notes.

Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Senior Secured Notes Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Senior Secured Notes Indenture provides that:

(1) each of BP I and BP II will not, and will not permit any Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) each of BP I and BP II will not permit any Restricted Subsidiaries (other than a Senior Secured Note Guarantor) to issue any shares of Preferred Stock;

provided, however, that BP I and BP II may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis for the most recently ended four full fiscal quarters for which combined internal financial statements of BP I and BP II are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not the Issuers or Senior Secured Note Guarantors shall not exceed $20.0 million at any one time outstanding.

The foregoing limitations will not apply to (collectively, *Permitted Debt*):

(a) the Incurrence by BP I, BP II or any Restricted Subsidiaries of Indebtedness under (i) the Credit Agreement and the issuance and creation of letters of credit and bankers acceptances thereunder (with letters of credit and bankers acceptances being deemed to have a principal amount equal to the face amount thereof) in an aggregate principal amount not to exceed (A) $3,855.0 million of term loan facilities, plus (B) 250.0 million of term loan facilities, plus (C) $120.0 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities, plus (D) 80.0 million of revolving credit facilities and ancillary facilities that relate to revolving credit facilities and (ii) Local Facility Agreements in an aggregate principal amount not to exceed 80.0 million;

(b) the Incurrence by the Issuers and the Senior Secured Note Guarantors of Indebtedness represented by the Senior Secured Notes (not including any Additional Senior Secured Notes) and the Senior Secured Note Guarantees;

(c) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b)) and the Incurrence by the Issuers and the Senior Note Guarantors of Indebtedness represented by the Senior Notes (not including any additional Senior Notes) and the Senior Note Guarantees;

(d) Indebtedness (including Capitalized Lease Obligations) Incurred by BP I, BP II or any Restricted Subsidiaries, Disqualified Stock issued by BP I, BP II or any Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) and Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that serves to refund, refinance or defease any of the foregoing; *provided* that the aggregate amount of all Indebtedness outstanding pursuant to this clause (d) shall not at any time exceed 2.0% of Total Assets;

(e) Indebtedness Incurred by BP I, BP II or any Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers compensation claims;

(f) Indebtedness arising from agreements of BP I, BP II or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of BP I or BP II in accordance with the terms of the Senior Secured Notes Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of BP I or BP II to a Restricted Subsidiary; *provided* that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not one of the Issuers or a Senior Secured Note Guarantor shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the obligations of the Issuers under the Senior Secured Notes or the obligations of BP I under its Senior Secured Note Guarantee, as applicable; *provided further however*, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or a Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (g);

(h) shares of Preferred Stock of a Restricted Subsidiary issued to BP I, BP II or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to BP I, BP II or a Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (h);

(i) Indebtedness of a Restricted Subsidiary to BP I, BP II or another Restricted Subsidiary; *provided* that except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of BP I, BP II and the Restricted Subsidiaries, if a Senior Secured Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Senior Secured Note Guarantor, such Indebtedness shall within 90 days of the Issue Date, to the extent legally permitted, be subordinated in right of payment to the Senior Secured Note Guarantee of such Senior Secured Note Guarantor; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to BP I, BP II or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (i);

(j) Hedging Obligations that are Incurred not for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the Senior Secured Notes Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(k) obligations in respect of performance, bid, appeal and surety bonds and completion guarantees provided by BP I, BP II or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(l) (i) any guarantee by BP I, BP II or a Restricted Subsidiary of Indebtedness or other obligations of BP I, BP II or any Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by BP I, BP II or such Restricted

Subsidiary was not in violation of the terms of the Senior Secured Notes Indenture or (ii) Indebtedness of BP I, BP II or any Restricted Subsidiary arising by reason of any Lien permitted to be granted or to subsist pursuant to Certain Covenants Limitation on Liens and so long as the Indebtedness secured by such Lien was not incurred in violation of the Senior Secured Notes Indenture;

(m) the Incurrence by BP I, BP II or a Restricted Subsidiary of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary, in either case, that serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant or clauses (b), (c), (m) and (n) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premium), defeasance costs and fees in connection therewith (subject to the following proviso, *Refinancing Indebtedness*) prior to its respective maturity; *provided, however*, that such Refinancing Indebtedness will be Refinancing Indebtedness if and to the extent it:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date one year following the last maturity date of any Senior Secured Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior Secured Notes (*provided* that any Refinancing Indebtedness Incurred in reliance on this subclause (1)(y) does not provide for any scheduled principal payments prior to the maturity date of the Senior Secured Notes in excess of, or prior to, the scheduled principal payments due prior to such maturity for the Indebtedness, Disqualified Stock or Preferred Stock being refunded or refinanced or defeased);

(2) has a Stated Maturity that is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded, refinanced or defeased or (y) 91 days following the maturity date of the Senior Secured Notes;

(3) refinances (a) Indebtedness junior to the Senior Secured Notes or any Senior Secured Note Guarantee, such Refinancing Indebtedness is junior to the Senior Secured Notes or the Senior Secured Note Guarantee of such Senior Secured Note Guarantor, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(4) does not include (x) Indebtedness of BP I, BP II or a Restricted Subsidiary that is not one of the Issuers or a Senior Secured Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Senior Secured Note Guarantor, or (y) Indebtedness of BP I, BP II or a Restricted Subsidiary that refinances, refunds or defeases Indebtedness of an Unrestricted Subsidiary;

(n) Indebtedness, Disqualified Stock or Preferred Stock of (x) BP I, BP II or a Restricted Subsidiary Incurred to finance an acquisition, merger, consolidation or amalgamation or (y) Persons that constitutes Acquired Indebtedness; *provided, however*, that after giving effect to such acquisition or merger, consolidation or amalgamation, BP I or BP II would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or the Fixed Charge Coverage Ratio of BP I and BP II on a combined basis would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(o) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not with recourse to BP I, BP II or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of its Incurrence;

(q) Indebtedness of BP I, BP II or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(r) Indebtedness representing deferred compensation or other similar arrangements to employees and directors of BP I, BP II or any Restricted Subsidiary Incurred in the ordinary course of business or in connection with the Transactions (including as a result of the cancellation or vesting of outstanding options and other equity-based awards in connection therewith), an acquisition or any other Permitted Investment;

(s) Indebtedness of BP I, BP II or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(t) Indebtedness Incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures of BP I, BP II or any Restricted Subsidiary not in excess, at any one time outstanding, of 0.5% of Total Assets at the time of Incurrence;

(u) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (u), does not exceed 4.25% of Total Assets at the time of Incurrence (subject to the third paragraph of this covenant, it being understood that any Indebtedness Incurred under this clause (u) shall cease to be deemed Incurred or outstanding for purposes of this clause (u) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which BP I, BP II or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (u));

(v) Indebtedness or Disqualified Stock of BP I, BP II or any Restricted Subsidiary and Preferred Stock of BP I, BP II or any Restricted Subsidiary not otherwise permitted hereunder and Refinancing Indebtedness thereof in an aggregate principal amount or liquidation preference not exceeding at any one time outstanding 200.0% of the net cash proceeds received by BP I, BP II and the Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of BP I, BP II or any direct or indirect parent entity of BP I or BP II (which proceeds are contributed to BP I, BP II or a Restricted Subsidiary) or cash contributed to the capital of BP I or BP II (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, BP I, BP II or any of their respective Subsidiaries and other than in connection with the Transactions) as determined in accordance with clauses (2) and (3) of the definition of Cumulative Credit to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of Certain Covenants Limitation on Restricted Payments or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(w) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely BP I, BP II and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into in the ordinary course of business and netting, overdraft protection and other arrangements among BP I, BP II, any Restricted Subsidiary and a bank arising under standard business terms of such bank at which BP I, BP II or any Restricted Subsidiary maintains an overdraft, cash pooling or other similar arrangement;

(x) Indebtedness consisting of Indebtedness issued by BP I, BP II or a Restricted Subsidiary to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of BP I, BP II or any of their direct or indirect parent companies to the extent described in clause (4) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments;

(y) Indebtedness of BP I or any of its Restricted Subsidiaries consisting of obligations (including guarantees thereof) to repurchase equipment sold to customers or third party leasing companies pursuant to the terms of sale of such equipment in the ordinary course of business;

(z) without limiting clause (a) of this paragraph, Indebtedness under local overdraft and other local working capital facilities in an aggregate principal amount not to exceed 125.0 million; and

(aa) Indebtedness in the form of deferred payment obligations under any arrangement permitted by clause (12) of the second paragraph of the covenant described under Certain Covenants Limitation on Restricted Payments.

Notwithstanding the foregoing, none of the Issuers and any Senior Secured Note Guarantors will Incur any Indebtedness as any Permitted Debt if the proceeds thereof are used, directly or indirectly, to refinance any Subordinated Indebtedness of such Issuer or any Senior Secured Note Guarantor unless such Indebtedness shall be subordinated to the Senior Secured Notes or the applicable Senior Secured Note Guarantee to at least the same extent as such Subordinated Indebtedness.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (a) through (aa) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuers shall, in their sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant; *provided, however*, that (x) Indebtedness under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred pursuant to clause (a)(i) of Permitted Debt and the Issuers shall not be permitted to reclassify all or any portion of such Indebtedness under the Credit Agreement outstanding on the Issue Date, (y) Indebtedness Incurred as incremental term loan borrowings under the Senior Secured Credit Facilities on the Escrow Release Date shall be deemed to have been Incurred pursuant to clause (a)(i) of Permitted Debt and the Issuers shall not be permitted to reclassify all or any portion of such Indebtedness and (z) the Issuers shall not be permitted to reclassify all or any portion of any Secured Indebtedness Incurred as Permitted Debt unless at the time of such reclassification the Issuers could secure such Secured Indebtedness pursuant to clause (6) of the definition of Permitted Liens; and

(2) the Issuers will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above, and in that connection shall be entitled to treat a portion of such Indebtedness as having been Incurred under the first paragraph above and thereafter the remainder of such Indebtedness having been Incurred under the second paragraph above.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

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